



Daily Report

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General

COCOM Embargo Policy Becomes 'More Unpopular'

*HK100215 Beijing JIEFANGJUN BAO in Chinese
21 Feb 88 p 1*

[Article by Dongfang Tie (2639 2455 6993): "Embargo Policy That Goes Against the Trend"]

[Text] Recently, foreign newspapers and journals carried many reports concerning the Coordinating Committee for Export Control [COCOM]. On the one hand, the United States stubbornly maintained that the existing stipulations of the COCOM on embargoing new technologies and strategic materials to socialist countries must be more strictly implemented; on the other hand, most West European countries demanded that the COCOM relax export control and reduce the number of embargoed goods. This shows that as the world's economic relations are becoming closer, the COCOM's embargo policy will become more and more unpopular.

The COCOM was a product of the cold war period. After the end of World War II, the United States forced the NATO members to form an international embargo organization for reasons of "common security," thus enforcing an economic and technological blockade against the socialist countries. The official name of this organization is "Coordinating Committee for Export Control." Because its headquarters is in Paris, it is also called "Paris Coordination Committee." The so-called "control" means that the organization will act as an international police in the economic and technological field. Whom does it try to control? Mainly Western Europe and Japan. What does it control? At the beginning, mainly three categories of goods were subject to export control: military equipment and weapons, nuclear energy equipment and technology, and rare materials. Afterward, with the development of the new technologies, more and more items were added to the embargo list. There are now hundreds of items in the embargo list. They range from things in the sky to things on the ground in various fields.

In the past decades, the United States has always been acting as a whip-cracker, and it whipped those who violated the embargo "stipulations." Recently, it again cracked its whip in the COCOM mainly for the following reasons:

First, the U.S.-Soviet rivalry for the superiority of comprehensive national strength is now becoming rather intense, and the rivalry is focused on the field of high technology. The United States must maintain its leading position in the field of new technology in order to outdo the Soviet Union in the rivalry. Aside from promoting its own research and development, it must also try by every possible means to impede the development on the opposite side.

Second, there is no major gap between the nuclear military technology between the United States and the Soviet Union, and each side has no much secret technology that is worth keeping from the other side. As the two sides have concluded the treaty on eliminating the medium-range missiles and begun the negotiations on reducing the strategic nuclear weapons, the rivalry in other military technologies will become more important, and the United States needs the COCOM to set new barriers in these fields.

Third, the COCOM is always a tool of the United States to maintain its hegemony in the Western world. Now, bilateral trade, technology transfers, and other economic and technological exchanges between Western and Eastern countries are all increasing. The United States is not only worried that Western Europe and Japan may gain more economic benefit from this, but more importantly, it is afraid that such economic relations and trade may increase the tendency of political independence among the Western allies. On the surface, the United States wields the banner of ideological confrontation; in essence, it is trying to maintain the bipolar structure in the world and continue to exert control over other Western countries.

However, the development of the world's economy and politics has put the COCOM more and more in a position against the trend of the times. From the viewpoint of technological development, many high technologies are of dual use, and it is hard to distinguish their military use from their civilian use. For example, the new metal materials and coating technologies, optical fibers, modern micro-chips, and the superconducting technology are all of dual use. Not long ago, the "Toshiba incident" stirred up big troubles, because Japan provided the Soviet Union with a type of advanced milling machines, which could be used to process ship propellers, thus substantially lowering the noise of submarines. In fact, many of such advanced technologies can be indirectly used to improve military equipment. In the field of high technology, it is hard to find any technology that cannot be applied to the military field. However, the COCOM took the absurd measure of including personal computers, digital telephones, and "air bus" planes in its embargo list.

The modern world economic relations are obviously characterized by all countries' interdependence. Developed industrial countries and developing countries all need each other's new technologies and strategic resources. Such interdependent relations also provide more opportunities for the economic development of each country. Many countries in both the East and the West, complying with the needs of the times, have been taking an active part in international dialogue and economic and technological exchanges in various fields. This is not only beneficial to the development of their national economies, but is conducive to the international community's peace and stability. However, the United States tries to maintain other countries' unequal dependence

on it by strengthening the embargo measures of the COCOM. This will only harm the stable international environment. As some enlightened people in the West said, the embargo policy of the COCOM "is no longer in keeping with the present climate in East-West relations."

In the past 40 years and more after the end of World War II, profound changes have occurred in the world situation. The United States is no longer a powerful "Gold Dollar Empire" as it used to be; and West Europe is no longer a region that must rely on the "Marshall Plan." Although the United States has kicked up a big row on the "Toshiba incident" in order to warn other Western allies, members of the COCOM will still continue to more strongly demand a change in the present stipulations.

'Roundup' on U.S. 'Pressing' ROK on Trade
OW100024 Beijing XINHUA in English 1852 GMT
9 Mar 88

["Roundup: U.S. Pressing South Korea on Trade (By Liu Zhiguang)" — XINHUA headline]

[Text] Washington, March 8 (XINHUA)—The U.S.-South Korean trade conflict has suddenly assumed conspicuous economic and political dimensions, as Washington has repeatedly pressed Seoul to open its markets wider and to increase the value of its currency to reduce South Korea's growing trade surplus with the United States.

In the past few weeks, senior U.S. officials have accused South Korea of engaging in "unfair trade practices" by reaping the rewards of the world trading system without accepting the responsibility.

Beyond the charged rhetoric, the United States has taken various measures to open South Korean markets.

The U.S. Government has initiated a formal investigation of South Korea's restrictions to imports of U.S. cigarettes and the curbs leading to U.S. penalty duties on certain South Korean goods.

The United States recently filed a complaint with the General Agreement on Tariffs and Trade (GATT), seeking sanctions against South Korea's ban on imports of U.S. beef.

Two weeks ago, the U.S. treasury secretary carried to Seoul a U.S. demand that South Korea let its currency, the won, appreciate more rapidly against the U.S. dollar, which would raise the price of South Korean cars, videocassette recorders and other products on U.S. markets.

In addition, the Washington announced in January the withdrawal of duty-free trade concessions to South Korea and three other Asian trading partners on the ground that the "four small tigers" in Asia had advanced so far that they no longer needed such help.

Why should Washington suddenly have taken such an offensive stance toward Seoul?

One reason is that trade issues had been intentionally put off by the United States during the political turmoil in South Korea last year. Now it is opportune for the United States to address trade issues with the new leadership in Seoul.

Another reason is that South Korea's trade surplus with the United States is growing fast. It doubled to 9.8 billion dollars last year and is growing again this year. U.S. officials believe that the fast mounting U.S. deficit with South Korea has become intolerable.

However, the more important reason behind the U.S. move is perhaps that South Korea's trade practices in the United States are considered unfair, as the U.S. press puts it.

South Korea's Hyundai cars and Samsung televisions are among the products with high consumer visibility in U.S. markets, yet it maintains one of the most protected economies in the world.

The U.S. press says that because of prohibitive tariffs, almost all cars in South Korea are locally made. It also has a near-total ban on imports of high-value agricultural products such as beef, frozen potatoes and alfalfa. The South Korean monopoly corporation, U.S. officials charge, refuses to let American cigarettes compete on a fair basis.

The U.S. trade difficulties with South Korea have arisen at a time when the White House is trying to persuade Congress to drop protectionist provisions in an omnibus trade bill that is expected to be voted on next month.

Adopting a tough attitude on trade issues, the government also wants to demonstrate that it is a vigilant defender of U.S. interests during the presidential election year.

"Some powerful Korean forces are promoting a more inward-looking, mercantilistic economic strategy," Clayton Yeutter, a U.S. trade representative, warned. "The certain outcome of these policies would be heightened confrontation with the United States and others, and ultimately sanctions on Korean exports by someone, perhaps even the U.S."

Many analysts believe that Seoul, under U.S. pressure, will continue liberalizing its market and strengthen its currency, but at nowhere near the pace demanded by Washington.

They cautioned that trade is a big issue not only for the Seoul Government but also for South Korea's student demonstrators, whose protest slogans have grown increasingly anti-American in tone.

United States & Canada

Further on Wu Xueqian's U.S. Visit

U.S. Policy Now 'Clearer'

HK091245 Beijing ZHONGGUO XINWEN SHE
in Chinese 0813 GMT 9 Mar 88

[Report: "Reagan Says the United States Will Try To Bring About an Environment Conducive to Contacts Between the Two Sides of the Taiwan Strait"]

[Text] Washington, 9 Mar (ZHONGGUO XINWEN SHE)—When meeting with Chinese Foreign Minister Wu Xueqian today, U.S. President Reagan said: U.S. policy toward China is firmly based on the principle that there is only one China. The United States welcomes the contacts between the people on the two sides of the Taiwan Strait since last year and hopes that this trend will continue. The United States will try to bring about an environment conducive to the above development.

This is the first time that a supreme U.S. leader has given a positive explanation of U.S. policy toward China since Secretary of State Shultz expressed similar views in his speech delivered in Shanghai on 5 March last year and the speech caused disputes.

At a banquet during his visit to Shanghai last year, Shultz said: "One China and peaceful settlement of the Taiwan issue remain the core of U.S. policy toward China. Our policy remains unchanged, but the situation has never been static, nor will it be in the future. We support the continuous development of a peaceful settlement of the Taiwan issue. But, the pace of the settlement will have to be decided by the Chinese on the two sides of the Taiwan Strait themselves, free from any external pressure. For the United States' part, we welcome such developments as indirect trade and increasing contacts between the people. These developments will help ease the strained relations between the two sides, and it is our unshakable policy to seek an environment which can bring about such developments."

Shultz' speech immediately drew attention and caused disputes on all sides. Some opinions held that Shultz' speech had obviously gone beyond the standard terms used by the United States on the "settlement of the Taiwan issue." The generally acknowledged terms are: 1) The United States recognizes only one China. 2) The Taiwan issue must be settled by the Chinese themselves. 3) The United States is concerned that the issue should be settled by peaceful means.

Observers here believe that Reagan explained U.S. policy toward China more clearly than Shultz did. And the explanation was given precisely 1 year after Shultz' speech, during which time considerable developments and changes have appeared on both sides of the Taiwan Strait.

China always holds that the Taiwan issue is China's internal affair and must be settled by the Chinese themselves. But China also believes that the United States can "do something" on this issue. In his interview with a CBS reporter in September 1986, Deng Xiaoping expressed the hope that the United States would make some efforts on the issue of the reunification of China. He said: "I believe the United States, especially President Reagan, can do something on this issue." On the first day he arrived in the United States, Wu Xueqian said China hopes that the United States will react more positively to the "three contacts" policy.

Today's meeting in the White House lasted 40 minutes, 10 minutes longer than scheduled. During the meeting, Wu Xueqian conveyed the best regards of Deng Xiaoping, Zhao Ziyang, Li Xiannian, Li Peng, and Yang Shangkun to Reagan. Reagan asked Wu Xueqian to convey his best regards to the above Chinese leaders. In a friendly atmosphere, both sides held that, on the whole, Sino-U.S. relations have developed smoothly since the establishment of diplomatic relations between the countries. Wu Xueqian said: President Reagan's visit to China in 1984 played an important role in promoting steady development of the relations between the two countries. Reagan said that the U.S. Government has attached great importance to U.S.-China relations. He was personally very delighted at the marked progress in the relations between the two countries in recent years and hoped that the economic and security cooperation between China and the United States would be further strengthened.

Secretary of State Shultz, Assistant to the President for National Security Affairs Powell, U.S. Ambassador to China Lord, and Chinese Ambassador to the United States Han Xu were present at the meeting.

Wu Speaks at Press Club

OW100240 Beijing XINHUA in English 0131 GMT
10 Mar 88

[Text] Washington, March 9 (XINHUA)—Visiting Chinese State Councillor and Foreign Minister Wu Xueqian said today that China's independent foreign policy is determined by the fundamental interests of the Chinese people and meets the desire and vital interests of the people of the world as well.

He said maintaining independence "means that China does not enter into alliance of strategic relations with any big power and that China makes its own judgement on major international issues".

"Only by doing so can a big country like China serve the interests of world peace and stability," he stated.

Wu made the remarks in a speech he delivered here at a National Press Club luncheon.

The minister said for the goal of peace, China has all along stood for the development of friendly relations and cooperation with all other countries on the basis of the five principles of peaceful coexistence and proposed that these principles be made norms guiding international relations.

He said that for China, similarity or difference in social system and ideology does not determine its relations with other countries. "Sino-U.S. relations have maintained steady progress with frequent exchanges of visits between top leaders of the two countries. Sino-Soviet relations, though improved, have made no substantive progress in the political field."

He expressed the hope that the Soviet Union will take action to remove the three major obstacles, particularly to urge Vietnam to withdraw its troops from Kampuchea so as to bring about the normalization of Sino-Soviet relations.

Wu welcomed the recent U.S.-Soviet summit meeting and the signing of the INF treaty, and expressed the hope that the two nuclear powers will continue to hold serious negotiations on disarmament in other areas and reach agreement thereon for actual implementation, so as to realize drastic arms reduction at the earliest possible date.

The minister stressed that in China's view, the United States and the Soviet Union, which possess the largest nuclear arsenals, not only have the obligation to take the lead in drastically reducing and destroying their different types of nuclear weapons, but also should stop testing, manufacturing and deploying nuclear weapons of all types, both offensive and defensive.

"If this is done, it will be possible to create favourable conditions for the convocation of a broadly-represented international conference on nuclear disarmament with the participation of all the nuclear states," he said.

He stated that as a nuclear state, "China will never shirk its responsibility for disarmament. Its fundamental position on disarmament is: complete prohibition and thorough destruction of all nuclear weapons, and concurrent nuclear disarmament and conventional disarmament, with the two promoting each other."

He noted in recent years, China has taken a series of specific disarmament actions. Among other things, it has reduced its defence expenditures, cut the size of its

troops by one million, turned part of its military production facilities to civilian use and renounced its nuclear testing in the atmosphere. All this fully testifies to the Chinese people's desire for peace and their government's sincerity in disarmament.

Wu Xueqian said China stands for fair and reasonable settlement of conflicts in the "hot-spot" regions through peaceful negotiations without resorting to force.

"The key to political settlement is that foreign invasion must stop, foreign countries must rapidly and unconditionally withdraw their troops from the countries which are victims of invasion and give up their vested interests there, so as to restore to the latter their sovereignty and independence, and enable the people there to solve their own problems free from outside interference," he said.

Turning to the Sino-U.S. relations, Wu Xueqian said that since the establishment of diplomatic relations, there has been "steady development" of the bilateral relations, but there were also "twists and turns, ups and downs".

He said to ensure a healthy, steady and sustained development of the Sino-U.S. relations, efforts must be made in three major areas. These are: to handle the Taiwan question properly; to develop economic, trade and technological cooperations on the basis of equality and mutual benefit; and to correctly deal with the differences between the two countries.

He said the Taiwan question concerns China's sovereignty and territorial integrity, and it has all along been the main obstacle in the way of smooth development of Sino-U.S. relations.

"If these relations are to develop on a stable basis, the Taiwan question cannot possibly be avoided," he stressed.

"The three communiques jointly issued by China and the United States have set forth the principles guiding the development of Sino-U.S. relations. If these principles are effectively followed, the relations will be free from setbacks that may be caused by the Taiwan question. The U.S. Government has reiterated on many occasions that it pursues a 'One China' policy. We hope that these statements will be put into practice," he said. [This and the following addition are reported by ZHONGGUO XINWEN SHE in Chinese at 0859 GMT on 10 March in a similar report. Here ZHONGGUO XINWEN SHE adds: "Reiterating China's policy of 'one country, two systems,' Wu Xueqian said: After the reunification of China, one 'country, two systems' will be put into practice in Taiwan. This means that Taiwan society, the Taiwan economy, and the Taiwan life style will remain unchanged. The mainland will not send officials to Taiwan and Taiwan can keep its own Army. In addition, the KMT can continue their activities."] The minister noted after the passing of Mr. Chiang

Ching-kuo, Chinese leaders again reiterated that the Chinese Government's guiding principles and policies regarding peaceful national reunification would remain unchanged.

He said since the Taiwan authorities eased restrictions over visiting family members and relatives on the mainland, there have been increased contacts across the Taiwan Strait. The establishment of the "three links", that is the exchange of trade, mail and air and shipping services, and the eventual realization of peaceful national reunification have become a general trend in keeping with the will of the people.

"We hope that the U.S. Government will do something in this respect," he urged.

On Sino-U.S. economic relations, Wu said the major factors adversely affecting the furtherance of trade are the mounting trade protectionism in the United States and doubts of one kind or another here about China's reform and the open policy.

He urged the U.S. political and business circles to take a long view and adopt positive measures to give Chinese commodities more access to the U.S. market and expressed the hope that more American business people will invest and open factories in China.

Wu Xueqian said that China and the United States have similar or identical views on some major international issues. On the other hand, differences do exist on some other issues, particularly those concerning the rights and interests of the Third World.

He suggested that the two sides increase consultations and enhance understanding so as to gradually narrow their differences and expand their common ground.

Wu Xueqian also made a detailed introduction to China's reform and open policy, which he described as China's "fundamental state policy".

He told American friends that this policy has already brought about unprecedented and spectacular changes in China since its ushering in 1979 and has thus won whole-hearted support of the Chinese people.

However, he said, in the context of China's long-range goal of achieving modernization of industry, agriculture, science and technology and national defense, the present reform and opening-up is only "a prelude".

"We will press ahead with it and further increase our economic and technological cooperation and trade with other countries, so as to bring China into an even closer relationship with the international market," he declared.

[ZHONGGUO XINWEN SHE adds: "Reporters from Taiwan's CENTRAL DAILY, UNITED DAILY NEWS, ECONOMIC DAILY NEWS, and YOUTH DAILY, and representatives from the major U.S. media were present on the occasion."]

Addresses Tibet Issue

HK101038 Beijing ZHONGGUO XINWEN SHE
in Chinese 0858 GMT 10 Mar 88

[Text] Washington, 10 Mar (ZHONGGUO XINWEN SHE)—Chinese Foreign Minister Wu Xueqian told some 200 Chinese and foreign reporters today that China welcomes reporters and tourists from the West to visit Tibet and witness the changes there.

In response to a reporter's question at the National Press Club, Wu Xueqian denounced the Dalai Lama's activities of splitting China. He said: The Dalai is not solely a religious leader. He is a politician in exile. He has carried out activities of splitting the Chinese nation, undermining China's unity, and vilifying the country abroad.

Wu continued: The Dalai had some contacts with us through certain channels. We persuaded him not to do things against national unity and encouraged him to go back to China. Despite our repeated persuasion, he engaged in numerous activities to undermine China's unity, particularly over the past year. The Chinese people cannot tolerate this.

Wu Xueqian concluded his successful U.S. visit after meeting representatives of Chinese-American, Overseas Chinese, and Chinese students studying in the United States this evening, and flew to London for an official visit to the United Kingdom.

Remarks on Soviet Summit

HK101121 Beijing ZHONGGUO XINWEN SHE
in Chinese 0931 GMT 10 Mar 88

[Report by Xie Yiping (6200 0001 1337): "Wu Xueqian Said That the Condition for Deng Xiaoping To Meet With Gorbachev Is That Vietnam Should Withdraw Its Troops From Kampuchea"]

[Text] Washington, 9 Mar (ZHONGGUO XINWEN SHE)—Chinese Foreign Minister Wu Xueqian said on 9 March that the idea of a Sino-Soviet summit was not put forward first by Gorbachev. Two years ago, Deng Xiaoping said: "If Gorbachev can impel Vietnam to withdraw its troops from Kampuchea, I, even at such an old age, would like to meet with Gorbachev anywhere in Russia."

While delivering a speech as well as answering reporters' questions at the U.S. National Press Club, Wu Xueqian said: "Recently, Gorbachev publicly indicated at least twice that he is willing to meet with Deng Xiaoping

unconditionally. However, the meeting between Deng Xiaoping and Gorbachev can only be held under certain conditions, and the conditions are the same as they were 2 years ago."

In his speech, Wu Xueqian also comprehensively elaborated the Chinese foreign strategy that China maintains independence and keeps the initiative in its own hands and aims for peace. He said that independence means that China will not ally itself or establish strategic relationships with any major power. He added that China will make its own, independent judgment on important international issues. China is a big power, and only with this strategy can China contribute to world peace and stability.

Wu Xueqian added: "Events since World War II indicate that if the five principles of peaceful coexistence are observed and followed, countries with different social systems can coexist in peace. If these principles are violated, countries with the same social system will also go against each other. China will not determine the degree of its relationship with other countries by the differences and similarities in their social systems and ideologies. High-level leaders of the United States and China visit each other frequently, and the Sino-U.S. relationship is developing steadily. Although the Sino-Soviet relationship has improved, there has been no substantial progress in their political relations. China hopes that the USSR can take practical moves to remove the three main obstacles, particularly by impelling Vietnam to withdraw its troops from Kampuchea, so that normalization of relations between China and the USSR can be realized."

Urges Economic Development

HK101207 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1055 GMT 10 Mar 88

[Report: "Wu Xueqian Says China Will Try Its Best To Improve the Investment Climate in the Coastal Areas"]

[Text] Washington, 10 Mar (ZHONGGUO TONGXUN SHE)—Chinese Foreign Minister Wu Xueqian on 9 March revealed that China has decided to speed up the economic development of its coastal areas because these areas have many favorable conditions that can attract foreign investment. China will try its best to improve the investment climate there and solve the production and management problems encountered by foreign enterprises.

Speaking at the U.S. National Press Club, Wu Xueqian delivered a speech entitled "Hold Firm to the Reforms and the Opening-Up Policy and Uphold World Peace." He said: Our purpose in speeding up the economic development of the coastal areas and in joining the great international circle is to stimulate the economic development of the interior. To attain this goal, it is necessary to give full play to the potentials of the Zhu Jiang Delta, the Chang Jiang Delta, the South Fujian Delta Area, the Shandong Peninsula, and the Liaodong Peninsula; to

develop an export-oriented economy; and to establish still more Sino-foreign joint ventures, cooperative enterprises, and foreign enterprises. In addition, we are now making Hainan a province and trying to turn it into the country's biggest completely open special economic zone.

Speaking to reporters on China's pursuit of the opening-up policy, its economic reforms, and the conditions in its coastal areas, Wu Xueqian said: Foreign investment in China now totals \$22.6 billion, of which \$8.5 billion has actually been used in production. In China, there are now more than 10,000 enterprises "of three capital sources." In the coastal areas, there is one [number as received] open zone with a total population of 160 million and a total area of about 320,000 square km. In this zone, there is an abundant manpower supply; costs are low; technology, industry, agriculture, and the commodity economy are rather well developed; and information is easily accessible. These are conditions that can attract foreign investment.

About 200 Chinese and foreign reporters were present on the occasion.

Last night after meeting Chinese-American, Overseas Chinese, and student representatives, Wu Xueqian concluded his U.S. visit and flew to London for his official visit to Britain.

Concludes Visit, Departs

OW100720 Beijing XINHUA in English 0701 GMT
10 Mar 88

[Text] Washington, March 9 (XINHUA)—Chinese State Councillor and Foreign Minister Wu Xueqian left here tonight for Britain after winding up his eight-day trip to the United States which he described as "a success."

During his stay here, the Chinese Foreign Minister met with U.S. President Ronald Reagan, and held two rounds of talks with Secretary of State George Shultz. He also met separately with Secretary of Defense Frank Carlucci, Assistant to the President for National Security Affairs Colin Powell, Secretary of Commerce William Verity and some other senior U.S. officials.

Wu told Chinese reporters based in Washington yesterday that during his visit, the two sides exchanged views on bilateral and international issues of common concern in a deep-going and frank way, which promoted mutual understanding and proved helpful to the steady development of Sino-U.S. relations in the days to come.

The Chinese foreign minister arrived in Los Angeles March 2 and presided the inauguration ceremony of the Chinese Consulate General there. He continued his trip to the Southern port city New Orleans and North Carolina's capital of Raleigh before he arrived in Washington March 6.

Before his departure, Wu delivered a speech at a National Press Club luncheon today in which he made a detailed introduction of China's reform and its policy of opening to the outside world.

In the speech, Wu suggested the two countries increase consultations and enhance understanding so as to gradually narrow their differences and expand their common ground.

Tian Jiyun Meets U.S. Timber Company Guests
OW091343 Beijing XINHUA in English 1332 GMT
9 Mar 88

[Text] Beijing, March 9 (XINHUA)—Chinese Vice Premier Tian Jiyun met here this evening with a delegation from the Weyerhaeuser Company of the United States, led by its President George H. Weyerhaeuser.

The company is the largest U.S. timber supplier for China and the biggest forest products company in the United States.

The delegation arrived here March 7.

Soviet Union

Gorbachev Calls for Easing of Ethnic Tension
OW100514 Beijing XINHUA in English 0237 GMT
10 Mar 88

["Gorbachev Orders Steps To Ease Tensions in Troubled Republics" — XINHUA Headline]

[Text] Moscow, March 9 (XINHUA)—Soviet leader Mikhail Gorbachev Wednesday addressed a special meeting of the party Central Committee and ordered that measures be taken to ease tensions in the troubled republics of Armenia and Azerbaijan, TASS reported.

"Gorbachev stressed that the main thing now is to consistently implement the Leninist principles of the nationalities policy, to strengthen the friendship of the Azerbaijani and Armenian peoples," the official news agency reported.

The special party meeting, to which party leaders of Armenia and Azerbaijan were summoned, was held in Moscow to discuss the situation and settlement of the ethnic problems in the troubled border regions and the autonomous region of Nagorno-Karabakh.

Earlier Wednesday, Soviet spokesman Gennadiy Gerasimov said the death toll in ethnic rioting in the Azerbaijani city of Sumgait had risen to 32, adding that a number of others were injured and hospitalized.

The party meeting came as authorities in Azerbaijan tightened the curfew in Sumgait, keeping people off the streets from 6 p.m., according to Gerasimov. Only people with a special pass can come out onto streets after 6 p.m.

Addressing the party meeting, Gorbachev noted that the current process of perestroika (restructuring) demands that all the Soviet working people and representatives of various nationalities work together friendly and tenaciously, TASS said.

"Any aggravation of the situation can hurl us back from the great gains of the friendship of peoples attained by our country in the seven decades of its existence," the news agency quoted Gorbachev as saying.

On February 26, Gorbachev also made an appeal for calm in the two troubled republics, urging the people there to show "civic maturity and restraint" and strengthen their tradition of national amity.

Wednesday's meeting ordered Armenian party leader Karen Demirchyan and Azerbaijani party leader Kyamran Bagirov "to organize a profound and all-around study of the accumulated problems in the Nagorno-Karabakh Autonomous Region, the causes of the aggravation of inter-ethnic relations around it, and to draw up relevant proposals" to settle the problems, according to TASS.

Northeast Asia

Tian Jiyun Meets Japanese Trade Delegation
OW100053 Beijing XINHUA in English 1602 GMT
9 Mar 88

[Text] Beijing, March 9 (XINHUA)—Newly-opened areas in China surpass the total opened in the past nine years, Vice-Premier Tian Jiyun said today.

The areas include the whole of Guangdong and Fujian Provinces, Yangtze River Delta, Liaodong Peninsula and Shandong Peninsula, Tian said in an interview with Ryoichi Kawai, president of the Japanese Association for the Expansion of Trade, and his party.

Tian said the moves should further promote economic cooperation between Japan and China as the opened coastal areas become increasingly more involved in international markets.

He said China hopes to improve its investment environment and strengthen cooperation with foreign businessmen and to that end is working on supplementary regulations on foreign investment which should be ready soon.

The Japanese group was in Beijing to take part in the second meeting of Sino-Japanese regular consultations that began Monday and wound up today.

Shen Jueren, assistant minister of foreign economic relations and trade, said that at the meeting the two sides reviewed trade between the two countries, discussed problem areas, and promoted mutual understanding.

He said suggestions were made on questions dealing with China's desire to expand exports to Japan to achieve a more favorable trade balance.

Shen said the Chinese side would continue to send trade and market inspection teams to Japan.

And the Japanese side pledged to continue to send experts to help China improve its technology in production and increase its investment in China.

A Japanese delegation will come to China in the later part of March to inspect the processing base in Qingdao and a large delegation will visit Hainan Island in April.

Northeast Asia Research Center Planned
OW091315 Tokyo KYODO in English 1306 GMT
9 Mar 88

[Text] Changchun, China, March 9 (KYODO)—China has decided to set up a general research center on Northeast Asia to cover Japan, the Soviet Union, South Korea and North Korea.

A two-day preparatory meeting for the creation of the research center, the first of its kind in China, was held here at the end of February.

The center is expected to be set up within this year to help China monitor the developing situation in Northeast Asia.

The center will be based on research institutes on Japan, the Soviet Union and Korea at the Jilin Provincial Academy of Social Sciences, Jilin University and Northeast Teachers' University, all in Changchun.

The center will conduct research on various trends in Northeast Asia as a whole and in the individual countries of Japan, the Soviet Union, South Korea and North Korea.

Regarding Korea, priority will be given to the south rather than the north for the time being. The center will also cover Mongolia in the future.

Southeast Asia & Pacific

Aquino Comments on Upcoming PRC Visit
OW101110 Beijing XINHUA in English 1047 GMT
10 Mar 88

[Text] Manila, March 10 (XINHUA)—Philippine President Corazon Aquino today said she will go to China next month to establish better relations with "our neighbors."

In a press conference for local reporters at the presidential palace here, the president said that "since China is one of our neighbors, it is only natural that I go there to establish better relations with our neighbors."

"I am taking with me the cabinet members whose departments will have direct involvement in our relations with China," she said. Among them, she said, will be Trade Secretary Jose Concepcion, Education Secretary Lourdes Quisumbing, Agriculture Secretary Carlos Dominguez, Natural Resources Secretary Fulgencio Factoran, one senator, one congressman and Press Secretary Teodoro Benigno.

President Aquino indicated that during her visit, she will discuss with the Chinese side the problem of the balance of trade which is in favor of China.

The foreign department has announced that upon the invitation of the Chinese Government, President Aquino will visit China from April 14 to 16 this year.

Differences Remain on Thai-Lao Border Accord
OW100113 Beijing XINHUA in English 1507 GMT
9 Mar 88

[Text] Bangkok, March 9 (XINHUA)—The recent talks on Thai-Laotian border conflicts "marked a step forward" but differences remain on bringing about a solution to the problem.

This was disclosed here today by a spokesman for the Thai Foreign Ministry. He said that the Thai and Lao military delegations agreed during their talks here last month that the Franco-Siamese Treaty of 1907 and relevant maps must serve as basis for a solution to the Thai-Laotian border conflict.

However, he said that, during the political talks between the government delegations of the two countries earlier this month, "the Lao side attempted to have the relevant, legally binding maps omitted and to add other legally non-binding factors such as geographical and linguistic considerations as basis instead."

"The Lao side attempted to pick on merely some few words from the whole text of the treaty as the basis. Such selective approach is clearly not in keeping with accepted tenets of international legal practice," he said.

The spokesman said that the Thai Foreign Ministry disclosed some details of the talks because Laos has done so.

According to a report from Laos, a senior Laotian official has said that "the remaining problem is the interpretation" of the Franco-Siamese Treaty of 1907.

Thailand and Laos had been locked in fighting for the control of an 80-square-kilometer strip between Thailand's Phitsanulok Province and Laos' province of Sayaboury since last November.

An agreement on ceasefire and troop withdrawal was reached here in mid-February between the military delegations of the two countries following two days of talks.

Although no agreement was reached during the first round of political talks here earlier this month both sides agreed that the ceasefire be extended.

Thailand Awaits Response

OW091025 Beijing XINHUA in English 0806 GMT
9 Mar 88

[Text] Bangkok, March 9 (XINHUA)—Laos has not responded to any of the proposals made by Thailand to settle the border conflict after the two-day talks here ending March 4, the Thai foreign minister said yesterday as quoted by the "BANGKOK POST" today.

Thailand proposes to set up a joint committee to survey and demarcate the border in accordance with the Franco-Siam Treaty of 1907 and relevant maps in the area currently under dispute and in other areas which could become points of disputes in the future.

Sitthi said that further developments now depend on Laos. Kasem S. Sasemi, the foreign ministry's permanent secretary, is likely to lead a Thai delegation to Vientiane if a positive Laotian response is forthcoming, he said.

However, according to a report by Vientiane radio, a senior Laotian official has disclosed that the Laotian side during the last round of talks had made a counter-proposal that the joint committee proposed by Thailand be authorized only to verify the borderline along the area currently under dispute.

Thailand and Laos had been locked in fighting for the control of an 80-square-kilometer strip between Thailand's Phitsanulok Province and Laos' Sayaboury Province since last November.

An agreement on ceasefire and troop withdrawal was reached here earlier last month between military delegations of the two countries following two days of talks.

Both sides had agreed during the last round of political talks that the ceasefire be extended indefinitely.

PRC Red Cross Delegation Begins 2-Week Visit HK100214 Hong Kong XINHUA in English 1040 GMT 9 Mar 88

[Text] Rangoon, March 9 (XINHUA)—A Chinese Red Cross Society delegation arrived here this afternoon for a two-week visit to Burma, under a cultural exchange program between China and Burma.

The four-member delegation, headed by Cui Yueli, president of the Red Cross Society of China, is expected to meet the chairman and executive committee members of the Red Cross Society of Burma.

The delegation will tour Mandalay, Maymao, Sagaing, Pagan and Pegu to study the functioning of the Red Cross Society of Burma, it is learned.

A Burmese Red Cross Society delegation visited China in 1986.

Near East & South Asia

Zhang Jingfu Attends Kuwaiti Loan Signing OW100058 Beijing XINHUA in English 1319 GMT 9 Mar 88

[Text] Beijing, March 9 (XINHUA) — Chinese State Councillor Zhang Jingfu met here this afternoon with Badr Mishari al-Humaydi, director-general of the Kuwait Fund for Arab Economic Development, and his party.

The fund is an official loan institution.

Zhang was also present this afternoon at a signing ceremony for a Sino-Kuwaiti agreement, which stipulated that the fund will finance Jinzhou Harbor project in northeast China.

It is learned that this was the tenth loan agreement the fund has signed with China.

This, together with the other nine, involves a total of 240 million U.S. dollars.

The Kuwaiti guests are invited here by the Chinese Ministry of Foreign Economic Relations and Trade to attend the second working session for Sino-Kuwaiti loan undertakings held this morning.

Prior to this, the guests attended the completion ceremony of the Shaxikou hydropower station in Fujian Province on March 7. They will also appear at the completion ceremony for a wood-based panel plant in Hunan Province to be held on Saturday.

The two projects were completed with loans provided by the fund.

'Roundup' on Upcoming Talks on Afghan Issue
HK011534 Beijing RENMIN RIBAO in Chinese
1 Mar 88 p 6

["Roundup" by Reporter Shi Zongxing (0670 1350 2502): "On the Eve of the Reopening of Indirect Talks"]

[Text] On 2 March, the indirect talks on the Afghan issue will resume in Geneva, and the attention of the world will once again be focused on the Afghan issue.

On 9 February, Keduoweisi [4430 1122 7279 2448], the personal representative of the UN secretary general, concluded his shuttle visits between Afghanistan and Pakistan. Since then, diplomatic consultations on the Afghan issue have been carried out continuously by the various parties concerned. For example, the Soviet Union's first vice minister of foreign affairs visited Pakistan; the minister of state for foreign affairs and the secretary of foreign affairs of Pakistan visited the United States, Britain, China, Saudi Arabia, and Iran; and one of the main subjects of the recent U.S.-Soviet foreign ministers' meeting in Moscow was the Afghan issue.

The headquarters of the Islamic Alliance of Afghan Holy Warriors in Peshawar has become the focus of the attention of the press. The main leaders of the seven organizations of the alliance held continuous meetings there to formulate their action policies under the new situation. After long discussions, on 23 February, they announced a proposal on organizing a provisional government. The announcement of this proposal evoked two kinds of reactions. Pakistan held that the proposal represented a "positive step," and the United States also expressed its "complete welcome" to the proposal. Keduoweisi, the UN official responsible for mediating in the Afghan conflicts, also called it a "promising" proposal. However, the Soviet Union and the Kabul regime rejected the proposal and maintained their proposal of last year on setting up a "national reconciliation government." They claimed that Najibullah's position as "the president of the country must be maintained."

The Pakistani Government repeatedly indicated that the Afghan issue must be "solved in an all-round way." Not only must the issue of the Soviet Army's withdrawal be solved, but a provisional government must also be established as soon as possible. Only thus can Afghanistan really restore peace, and only then can the 3 million Afghan refugees in Pakistan return home safely and honorably. On the other hand, the opposition in Pakistan urged the government not to take the establishment of the provisional government in Afghanistan as a condition for signing the Geneva agreement, otherwise it might "miss an opportunity." In view of this situation, President Ziaul Haq decided to hold a joint meeting of the two houses of the parliament to debate the Afghan issue. According to other reports, Prime Minister Jenejo invited some major leaders of the opposition to discuss the Afghan issue with the government on 5 March. Recently, the mass media's comments and coverage were

not focused on the schedule of the Soviet troop withdrawal, but on the issue of whether the force withdrawal should be linked with the establishment of a new government in Afghanistan. In fact, this has become the focus of the struggle over the Afghan issue at present.

Pakistan holds that the troop withdrawal is indeed very important, but that it is merely an international factor for the settlement of the Afghan issue. If the Kabul regime continues to exist after the Soviet troops are withdrawn, the resistance forces will not agree to cease fire, and a serious civil war will continue in Afghanistan. If that is the case, the 3 million Afghan refugees in Pakistan will not be willing to return home for reasons of security, and more refugees may pour into Pakistan. Due to such concerns, the Pakistani Government does not agree to the Soviet Union's merely withdrawing its troops without bearing any responsibility for settling the refugee problem. The Pakistani Government holds that when discussing the force withdrawal with the Soviet Union, it is also necessary to urge the Soviets to seriously consider the establishment of a provisional government in Afghanistan. Only thus can Afghanistan prevent continuing bloody conflicts after the Soviet troop withdrawal.

It is still hard to say whether the coming talks in Geneva will be the last round of such talks. People generally hold that the Afghan issue has reached a "critical juncture."

West Europe

Wu Xueqian Arrives in London; Agenda Previewed
OW101138 Beijing XINHUA in English 1129 GMT
10 Mar 88

[Text] London, March 10 (XINHUA)—Chinese State Councillor and Foreign Minister Wu Xueqian arrived here this morning on a six-day visit to Britain at the invitation of his British counterpart Sir Geoffrey Howe.

Wu was met at Heathrow Airport by British Minister of State for Foreign Affairs Lord Glenarthur, Britain's Ambassador-Designate to China Alan Donald, Chinese Ambassador to Britain Ji Chaozhu, and other diplomats of the Chinese Embassy.

The Chinese foreign minister flew in here after a week-long visit to the United States.

This evening, Howe will give a dinner in Wu's honour at his official country residence at Chevening, south of London.

Chinese and British officials said the two ministers will have two rounds of talks there which will cover a wide-range of international and bilateral issues including East-West relations, disarmament, Afghanistan, Kampuchea, the Middle East, the world economy as well as Hong Kong and trade between the two countries.

During his stay in Britain, Wu will meet British Prime Minister Margaret Thatcher, Home Secretary Douglas Hurd and Welsh Secretary Peter Walker. Next Tuesday, he is to make a speech at the Royal National Institute of International Affairs in London, entitled "China's Role in Today's World."

Relations between China and Britain entered a new stage after the signing of the Hong Kong agreement in 1984. Chinese leaders Zhao Ziyang and Hu Yaobang visited Britain respectively in 1985 and 1986 and Queen Elizabeth II paid a state visit to China in 1986. At the same time there have been an increased exchange of visits between ministers and high-level officials. Wu's current visit is in return for Howe's tour of China in 1984 and is also the fifth meeting between the two foreign minister on various international occasions over the past year and half.

Britain is one of China's major trading partners in Western Europe. According to figures produced by British customs, two way trade totalled about 810 million pounds (about 1.5 billion U.S. dollars) in 1987, with China's exports to Britain running at 392 million pounds (about 725 million dollars) and imports from Britain at 416 million pounds (about 775 million dollars).

Meanwhile, China's students and visiting scholars in Britain have increased to a total of 2,100 this year.

British officials expressed the hope that the Chinese foreign minister's visit would help cement the existing good relations and cooperation between the two countries.

Joint European Economic Cooperation Seminar
OW092151 Beijing XINHUA in English 1525 GMT
9 Mar 88

[Text] Beijing, March 9 (XINHUA)—A seminar on Sino-European economic and technological information opened here this morning.

Entrepreneurs and technicians from Federal Germany and a dozen other European countries and 50 Chinese businesses are attending the three-day seminar co-sponsored by the European Technology Center in the Federal Germany and China International Economic Information Center (CIEIC) and other two Chinese departments.

A director from the CIEIC today briefed the participants on the nation's economic development in the first two years of the Seventh Five-Year-Plan.

East Europe

Tian Jiyun Meets Joint Bulgarian Trade Group
OW100024 Beijing XINHUA in English 1546 GMT
9 Mar 88

[Text] Beijing, March 9 (XINHUA)—Vice-Premier Tian Jiyun met today with a Bulgarian trade delegation in China to attend a meeting of the Sino-Bulgarian Economic, Trade, Scientific and Technological Cooperation Committee.

Khristo Khristov, chairman of the committee's Bulgarian side, said he was looking forward to further cooperation between the two countries in food, light industry, electronics, electrical equipment and consumer goods.

He told Tian that Bulgaria has followed with interest China's economic development and reform.

Tian noted the exchange visits by Zhao Ziyang and Todor Zhivkov, general secretary of the Bulgarian Communist Party last year have put economic and trade relations between the countries on a new level.

Yet, he said, the relations have not reached the level expected although the prospects are promising.

Tian reviewed for the Bulgarian guests an account of China's new development strategy for coastal areas and hoped the two countries would exchange experiences in the issue of reforms.

The trade committee, meeting for the third time, wound up its talks this morning.

A summary of the discussions was signed by Khristov, and Zeng Xianlin, chairman of the committee's Chinese side and minister of China's light industry.

A protocol of the third meeting of Sino-Bulgarian Scientific and Technological Sub-committee was also signed.

Further Reportage on Events in Tibet

Dalai Urges Peaceful Effort

BK091409 Hong Kong AFP in English 1345 GMT
9 Mar 88

[Text] New Delhi, March 9 (AFP)—The Dalai Lama urged Tibetans to step up peaceful efforts to free their homeland from Chinese rule in a statement released here on the eve of Thursday's 29th anniversary of an anti-Beijing uprising.

The statement, which called for international support to the cause of Tibetan independence, follows the reported deaths of up to eight people during an anti-Chinese demonstration in Lhasa at the weekend. Unrest in October left up to 13 people dead.

"Let us, in the coming year, increase our efforts to create a truly free and democratic Tibet, not only in exile, but more importantly, in our sacred country," the Tibetan political and religious leader said.

"May every one of us, in the coming year, give his or her greatest efforts towards the achievement of our just and noble cause: a Tibet for Tibetans," he added in a message to the six million Tibetans.

The Tibetan god-king, who fled to India along with some 100,000 followers after the failure of the 1959 insurrection against Chinese rule, praised the recent pro-independence demonstration in Lhasa.

As Tibetans commemorate the anniversary, "We also honour the courage of our brethren in Tibet who have taken to the streets to draw attention to their suffering under Chinese colonial rule," he said.

He charged China with mounting in recent months "the most severe repression" since the 1966-1976 Cultural Revolution.

"At least 32 people have died in (October) unrest in Lhasa and hundreds have been arrested, beaten and tortured," the Dalai Lama said.

"The struggle of our people is, unlike many, a non-violent one," he added. "This may have made it more difficult to convince the world of the depth of our misery and the earnestness of our resolve.

"It may even have encouraged governments to ignore our just cause. It is indeed a sad reflection of the state of the world that violence seems to be required for the international community to pay attention," he said.

"I have always felt that violence breeds violence... I therefore renew my appeal to all freedom-loving peoples to support our non-violent struggle for the survival of

our national identity, our culture and our spiritual tradition and to persuade the Chinese Government to abandon its oppressive policies."

No Government Policy Change

OW091654 Beijing XINHUA in English 1636 GMT
9 Mar 88

[Text] Lhasa, March 9 (XINHUA)—The party and government will not change their policies towards Tibet because of the March 5 Lhasa riot, Doje Cering, chairman of the Autonomous Regional government, has announced.

Therefore, he said, "We should continue implementing the policy of reform and opening to the world for economic development.

Doje Cering was speaking at a meeting of prefectural and city leaders held here yesterday.

The party and state have all along paid great attention to the economic development in areas inhabited by people of ethnic minority groups, regarding this as the fundamental answer to the nationalities question, he said.

Despite natural disasters, Tibet last year got in 450,000 tons of grain, more than in 1986, and animal husbandry also yielded good results. The 1987 income for farmers and herdsman averaged 348 yuan per capita, a 121 percent increase over 1979.

The chairman attributed this to new policies and reforms that have enabled most Tibetans to yield enough to feed and clothe themselves.

3 Alleged Rioters Arrested

HK091514 Lhasa Tibetan Regional Service
in Mandarin 1130 GMT 9 Mar 1988

[Text] Three criminals who instigated and directly participated in the Lhasa riot were arrested this morning by the city's Public Security Bureau.

Criminal (Yu Ruo Da Wa Ci Ren), 59, a native of (Chu Xi) Township, (Na Mu) District, Dagze County, Tibet, was sentenced to life imprisonment by the people's court in 1959 for participating in the rebellion. He was released in a special amnesty in 1979. He has assumed such posts as a member of the Lhasa City CPPCC Committee, a member of the council of the Tibet Branch of the Buddhist Association of China, and an executive director of the Lhasa City Buddhist Association since 1984, but he still refused to repent, clung to his reactionary stand, and collected and copied reactionary documents. On the morning of 24 July 1987, in collaboration with criminal (Tu Deng Ci Ren), he spread reactionary views, such as Tibetan independence, to foreign reactionary elements who came to Tibet as tourists, and viciously vilified the policies adopted by the CPC and the people's government.

On 26 December 1987, he collaborated with foreign reactionary elements in conducting reactionary propaganda and agitation, and attempted to overthrow the people's democratic dictatorship and the socialist system. He was thus taken into custody by the Public Security Bureau for investigation. During the investigation, criminal (Yu Ruo Da Wa Ci Ren) confessed: One purpose of my conversations with foreigners was to inform Dalai through the foreigners, and the other purpose was to win support from other countries in the world so that we can win Tibetan independence as quickly as possible.

After investigation, the procuratorial organ held that the criminal (Yu Ruo Da Wa Ci Ren) committed the crime of spreading reactionary propaganda and agitation and that his act violated Clause 2 of Article 102 of the PRC Criminal Law. With the approval of the relevant department, the Public Security Bureau arrested him and will lodge a public prosecution against him in the people's court.

Criminals (Jian Ba Ci Ren) and (Ju Mi Jiang Cuo) directly participated in the Lhasa riot last October, burning and damaging vehicles. After investigation, the procuratorial organ held that these two criminals jointly committed the crime of damaging public transportation and equipment. According to Clause 1 of Article 100 and Clause 1 of Article 110 of the PRC Law and with the approval of the procuratorial organ, the Public Security Bureau arrested them and will lodge a public prosecution against them in the people's court.

Ngapoi, Banqen Condemn Riot
OW092357 Beijing XINHUA Domestic Service
in Chinese 1257 GMT 9 Mar 88

[By reporter Zhan Xiang]

[Text] Beijing, 9 Mar (XINHUA)—Some well-known Tibetan personages met in the Tibet Room of the Great Hall of the People this morning to condemn the instigators of the 5 March Lhasa riot.

Vice Chairman Banqen Erdini Qoigyi Gyancan presided over the meeting.

Vice Chairman Ngapoi Ngawang Jigme spoke first at the meeting. He pointed out that the 5 March riot planned and incited by a small number of separatists was a serious incident in violation of the law. He said the troublemakers responsible must be punished seriously for their crimes because leniency is not without its limits.

He said: Those who took the lead in making trouble during the 27 September and 1 October Lhasa riots last year were arrested by the Public Security Department for investigation. Later on, 59 of them were given lenient treatment and released. Their release did not mean that they were not guilty. Now, a small number of separatists misunderstand the central authorities' lenient policy,

thinking that the more trouble they make, the more benefit they will receive. Those who were given lenient treatment after last year's riots and who again took part in making trouble recently should especially be severely punished.

Vice Chairman Ngapoi Ngawang Jigme sharply denounced the rioters for shouting the reactionary slogan for "Tibetan independence." He cited historical facts to prove that Tibet is a part of China. When recalling the course of Tibet's development, he held that the central authorities' policies towards Tibet are correct, and that the leftist mistakes during the "Great Cultural Revolution" do not represent the central authorities' policies.

As a witness of history, Ngapoi discussed in detail the causes for the 1959 rebellion in Tibet. He said: In order to create a pretext for starting the rebellion at that time, the upper-level reactionary clique spread a rumor that the Dalai and others would be arrested and flown to Beijing when they went to watch an art performance of the Tibet Military District. As a witness, I must clarify the facts, because some people at home and abroad are still deceived by this rumor even now.

Banqen pointed out in his speech that a small number of lamas took the lead in creating disturbances several days ago and were swollen with arrogance to the point of being crazy. He was indignant at the riot and condemned the rioters.

As a Tibetan and a devoted Buddhist, Banqen said he could not tolerate the serious crime of a few people in creating the disturbance on 5 March. He held that the recent riot was the same as the two riots in Lhasa last year, in that they were completely against the will and fundamental interests of the Tibetan people and the teachings of Buddhism.

Banqen visited Tibet after last year's riots in Lhasa. In his speech, he briefed the meeting on what he and his party did to implement the government's religious and nationalities policies during their stay in Tibet. Aged monks and nuns were taken good care of and given the same treatment as households enjoying the five guarantees. All the monks and nuns with permanent urban residences were issued non-staple food and meat subsidies. Cash was paid to monasteries in Tibet as compensation for their property confiscated during the "Great Cultural Revolution." At his suggestion, local public security and judicial departments leniently dealt with and released 59 rioters who were arrested during the two riots.

Banqen pointed out: It was entirely appropriate to detain the participants in last year's Lhasa riots for investigation, but some people misunderstood the lenient treatment of those rioters by the public security and judicial

departments as weakness on the part of the government. They broke their promises and took the lead in recently making trouble again. I cannot but feel indignant at them.

On a few troublemakers who shouted "Tibetan independence," Banqen pointed out: If Tibet becomes independent, it will inevitably bring about great calamities to the Tibetan people because divisions and turmoil will surely occur in Tibet. For this reason, demanding "Tibetan independence" is an act betraying the great motherland, undermining the unity among fraternal nationalities, and hurting the fundamental interests of the Tibetan people.

Banqen said: "I always uphold the motherland's unification and oppose 'Tibetan independence.'" He said this is the position he has taken after carefully considering the past, the present, and the future. He said he will always adhere to his convictions on the "four loves" — loving the Communist Party, loving the motherland, loving his Tibetan nationality, and loving his religion.

Concerning the work in Tibet henceforth, Banqen put forward a three-point suggestion: First, it is necessary to further improve regional autonomy for minority nationalities. Second, it is necessary to further implement the nationalities and religious policies and other relevant policies and heal the mental and material wounds caused by the ultra-leftist line. Third, it is hoped that the state and all fraternal nationalities will, as always, support and help Tibet. Banqen said: The central authorities will adopt even more lenient and flexible policies decided by the central authorities after careful consideration. He expressed the hope that the Tibetan people will closely unite in the great family of the motherland, strengthen solidarity among all nationalities, strive to build their ancestral homes and the motherland, and make Tibet even more prosperous and the Tibetan people even happier.

Attending the meeting were leading cadres and scholars of Tibetan nationality stationed in Beijing; delegates and members of Tibetan nationality attending the NPC Standing Committee meeting and the National CPPCC Committee meeting; and persons of Tibetan nationality in Buddhist circles, in all a total of 24 people. They included Zhuo Jia, Puncog Wangjie, Zhaxi Wangqog, Doje Cedain, (Ge Le), Luosang, Chi Nai, Tudao Doje, Gugong Cedain, (Cejen Pincho) and (Doje Cejen). All of them spoke at the meeting, condemning the creators and instigators of the 5 March riot and demanding that the rioters be sternly punished.

According to a proposal made by Vice Chairman Ngapoi Ngawang Jigme, those attending the meeting paid their respects and sent their regards to the public security cadres and policemen and the armed police who earnestly implemented the policy and devoted themselves to their duties in quelling this riot, particularly those who were injured or who laid down their lives.

Promoting Division Condemned

HK101514 Lhasa Tibet Regional Service in Mandarin
1130 GMT 10 Mar 88

[Commentator's article: "Safeguard the Unity of the Motherland, Oppose Stirring Up Divisions"—published in 10 March edition of TIBET RIBAO]

[Text] From last year's 27 September incident and 1 October incident to the 5 March riot occurring a few days ago, the banners, slogans, and political programs upheld, shouted, and put forward by rioters during these incidents invariably concentrated on one point, namely, promoting Tibetan independence. Their aim is to force our lovely Tibet to break away from the great motherland. Therein lies the crux of all the problems. This is precisely their crucial reason for promoting riots. In other words, therein lies the essence of this serious political struggle. The rioters are separatists whose aim is to split up the motherland.

Tibet is a part of our motherland's sacred territory which cannot be carved up. The Tibetan nationality is an indispensable member of our big socialist national family. Stirring up divisions and promoting Tibetan independence are absolutely forbidden. We resolutely oppose these two things, which do not enjoy popular support. This is because such criminal activities infringe upon the fundamental interests of the whole country, and go against the common will of people of all nationalities throughout China. It goes without saying that such criminal activities also infringe upon the fundamental interests of all Tibetan people, and go against the common will of all Tibetan people.

The Tibetan people have maintained an age-old, glorious, patriotic tradition. They have been brave for a long time in waging struggles to safeguard the unity of the motherland and defend the sacred territory of our motherland. The history of Tibet shows that small numbers of separatists tried more than once to promote so-called Tibetan independence. However, in the face of the forces of the Tibetan people and also due to the people's will for justice, all such separatists failed completely. This is because both the forces and the will of the people cannot be bullied. History does not allow retrogression.

At this late hour, a few separatists still have not resigned themselves to defeat. In the name of the Tibetan religion, they have whipped up an adverse current aimed at promoting Tibetan independence and splitting up our motherland. Historical experience has repeatedly proved that those engaged in promoting Tibetan independence have never achieved their personal independence. They have all along depended on foreign forces. They are controlled by foreign forces; they serve the interests of foreign political groups. They have always wanted to

turn Tibet into a dependency or a colony of foreign countries. The activities of stirring up divisions and Tibetan independence are in essence traitorous and treasonable activities.

We must serve the following stern warning on the small number of separatists: You must quickly clear away your separatist plot, give up your dream of achieving Tibetan independence, and honestly and conscientiously rejoin the motherland and the people. If you continue to do evil and continue to be incorrigibly obstinate, you will never escape punishment by the people and the law.

People throughout Tibet Region must unite as one, carry forward the glorious tradition of ardently loving the motherland, safeguard the unity of the motherland and nationality solidarity just as we take good care of our own eyeballs, and continue fighting against separatists until their separatist plot is completely crushed.

Commentator Views Riot

*HK091555 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 9 Mar 88*

[Commentator's article: "A Serious Political Struggle"—published in 9 March edition of TIBET RIBAO]

[Excerpts] What was the nature of the 5 March riot in Lhasa? The riot was in nature a serious political struggle. Making use of the party's national and religious policies, a handful of splittists concealed their political objective of destroying stability and unity. [passage omitted]

Facts have proved that the handful of splittists are in no sense devout religious believers: They have actually violated religious rules and doctrines. Our party and government have formulated and implemented the policy of granting autonomy to nationality regions. In particular, since the 3d Plenary Session of the 11th CPC Central Committee, the party and government have adopted and implemented a number of special policies and flexible measures in Tibet for the interests and aspirations of the Tibetan people. All this has helped to rapidly develop economic construction and to greatly improve the people's living standards in Tibet.

However, the serious criminal acts performed by these splittists have damaged the difficultly achieved political stability and unity and disrupted work order, production order, and public security. Facts tell us that the few splittists in no way represent national interests, but are black sheep who betray national interests. Numerous facts already revealed prove that the incident is indeed a serious political problem in nature and a serious political struggle. The reactionary slogan they shouted—independence for Tibet—is actually a reactionary political program, their underground organization is a political organization, their contact with splittists outside Tibet is a political relationship, and their demonstration and their practice of beating, smashing, looting, and burning demonstrate that to attain their political objective of splitting

the motherland and destroying the political situation and unity they do not hesitate to resort to all illegal and political means. Their actions have thoroughly stripped off their masks and exposed them as a handful of splittists who are well-organized according to their political program and whose actions are premeditated.

The vast numbers of cadres, workers, and residents should all understand well the nature of the incident and the protracted nature of the struggle. Sticking to the position of patriotism, unity, and progress, they should politically distinguish the handful of splittists and resolutely fight them to the end.

Lhasa Radio Describes Riot

*HK091532 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 9 Mar 88*

[Article by Tibet Regional Service reporter: "The 5 March Lhasa Riot—From the Songquela Square to Dazhao Monastery"]

[Text] The ceremony of welcoming the Qiangba Buddha began at about 0900 on 5 March. The parading processions were to march from the Jokhang Monastery to Songquela Square. The ceremony of seating the Buddha was held after the car carrying the Qiangba Buddha arrived in the Square. No sooner had the following ceremonies been started than some people began to shout slogans, immediately throwing Songquela Square into chaos. The Lhasa City Sports and Physical Culture Committee had originally scheduled some customary festivities, such as the game of holding stones, racing, and horse racing, to be held in the square. However, the riot upset the schedule.

After the riot broke out in Songquela Square, many television cameramen and news photographers flocked to a room on the third floor of [words indistinct], south of the Jokhang Monastery, in order to photograph the square from the window. Noticing these cameramen, the rioters began to throw stones up at the window, forcing the cameramen to retreat.

After crying slogans for more than 10 minutes in Songquela Square, the rioters, few in number, began to march toward [words indistinct]. About 50 to 60 young lamas led the procession, and behind them were a few people of unknown identity. When these ruffians arrived at the front square of the Jokhang Monastery, they shouted slogans and threw stones at the public security officers and spectators there. Many people, screaming in fear, escaped from the square. The rioters also threw stones at the glass windows of the (Zhashilunbu) Monastery and the (Banjueraosheng) shop north of the Jokhang Monastery.

When the rioters flocked back to the front square of the Jokhang Monastery, they turned their attention to the buildings on the southern side of the square, smashing the glass windows and the street lamps. Smashing noises

were heard everywhere on the square, and all the glass windows on the second floor of the buildings on the southern side were broken to pieces.

The rioters then continued their demonstration and sabotage.

TV Station Suffers Losses

HK091348 Beijing RENMIN RIBAO in Chinese
9 Mar 88 p 4

[Article by RENMIN RIBAO reporter Lu Xiaofei (4151 1420 7378): "What Do They Want?"]

[Text] On the morning of 8 March, this reporter visited the Tibet Television Station, which suffered most serious losses in the Lhasa riot.

A three-channel outside broadcasting van, a video recording vehicle, and a news coverage van, almost completely destroyed, were parked in the courtyard. All the lighting for live telecasts and four sets of ENG [expansion unknown] video and audio recording equipment for news coverage were completely smashed. The brand new outside broadcasting van was imported recently and was used for the first time for the live telecast of this year's Great Prayer Festival. It contained some of the most sophisticated modern equipment. The rampaging rioters smashed everything in the van to pieces, even an ordinary drinking glass was not left intact. When the three badly damaged vehicles were towed back to the station, the deputy director of the Radio and Television Broadcasting Department, the director of the television station, and some ordinary staff members of the station shed tears, feeling both sorry and indignant.

On 5 March, I was on the scene, covering the Great Prayer Festival. In order to ensure that people in Lhasa could stay at home without jostling each other outside and comfortably watch the ceremony of welcoming the Qiangba Buddha, which was to be held at the end of the Great Prayer Festival, the comrades of the Tibet Television Station that day arrived at the Jokhang Monastery before dawn. The live telecast began at 0910 and was suspended at 1000 because of the riot. The riot broke out when someone among the monks presiding over the bath ceremony for the Qiangba Buddha in Songquela Square suddenly cried the slogan "Independence for Tibet" and some rioters began to furiously throw stones at the Buddhist Association reception office, which is located on the third floor of the Jokhang Monastery and faces the street. At around 1000, I rushed from Songquela Square to the Jokhang Monastery. I saw many young monks rushing up to the third floor with things hidden in their robes. I did not understand what they were doing until they started taking out stones and throwing them down onto the vehicles parked in the courtyard. With an effort,

a rather young monk lifted an iron tub filled with stones and threw it down from the upper floor right at a broadcasting van, immediately caving in the top of the van.

The rioters then pushed the video recording vehicle and the news coverage van out of the courtyard. They began to smash the vehicles, shouting hysterically: "Break everything belonging to the CPC and the Han people!" After that, together they turned the vehicles upside down. A young man took a box of matches out of his pocket and tried to set the vehicles on fire. Nervous, he failed to light a fire after several attempts. Meanwhile, a "Shanghai brand" limousine of the regional branch of the Buddhist Association began to burn beside him. Some Armed Police Force members then rushed to the scene, and this group of rioters fled in utter confusion from the front square of the Jokhang Monastery.

The deputy director of the Tibetan Radio and Television Broadcasting Bureau, Mingmacairen, told this reporter: "A handful of splittists have for a long time threatened to 'put the television station in Tibet out of the way.'" The station has suffered heavy losses, and its work of gathering news has been seriously impaired. However, the splittists' plot has not succeeded. The station has not cut down the hours of its daily programming, but has added 3 additional hours since the riot."

The Tibetan Television Station was established in August 1985. When preparations were started in 1975, it had only two staff members. It was in May 1978 that residents of Lhasa could watch television programs for the first time when the station telecast an experimental program. There are now 102 telstar ground receiver stations, 102 relay stations, 6 slip frequency relay stations, and 96 video relay stations throughout the region. Except for Ngari Prefecture, the television stations in the other six prefectures and cities all have their own programs. However, the main equipment room of the Tibetan Television Station remains in an old single-storey house, which was formerly a factory workshop. Though its staffers are very few and its working conditions are very poor, the Tibetan Television Station last year started broadcasting 5 to 6 hours of programs every day. To enable the people to enjoy the traditional festival, on 25 February the station started broadcasting its programs over three channels for more than 20 hours a day.

As everyone knows, Tibet is located in the remote border area of our country. It is ill-informed and cultural life in Tibet is rather dull. Under such circumstances, television is the best tool for enriching a monotonous cultural life. At present, television broadcasting is reaching 37 percent of the region's population. Traditional and colorful programs televised by the station to minority people and Tibetan-dubbed television series are profoundly loved by the local Tibetan people (including Tibetans residing abroad). This is proved by the numerous letters received from viewers every day making

various requests. On this point, Mingmacairen and another responsible person of the station named Nima-dunzhu pointed out: The great majority of the people love our programs very much, and a handful of splittists hate our program very much. What the handful of splittists want to do is clear to everyone, isn't it?

Tibetan Police Praised

*HK101325 Lhasa Tibet Regional Service in Mandarin
1130 GMT 10 Mar 88*

[Text] On 8 March, the Headquarters of the Armed Police Force sent a comfort telegram to salute the officers and men who bravely quelled the Lhasa riot.

The telegram says: During the Prayer Festival, you, under the leadership of the regional party committee and people's government, resolutely obeyed orders and your commanders, faithfully performed your duties, and were united in fighting. With a valiant and indomitable revolutionary spirit, not hesitating to sacrifice, and in cooperation with cadres and policemen sent from the Public Security Department, you brilliantly performed your security duties during the Prayer Festival, thus contributing to upholding nationality solidarity and national unity by paying a price in blood. You are highly praised by both the party and the people. The party committee, leaders, and all comrades of the headquarters express their greatest respect for you. In addition, we also express warm sympathy for those cadres and fighters who were gloriously injured while performing their duties and wish them an early recovery.

The telegram continues: Tibet is an inalienable part of the motherland. Since the peaceful liberation of the region, the struggle between unity and division has been continuing. Thus, the headquarters would like you to have a deep understanding of the long-term character and complexity of this struggle, continue to remain alert, keep up your fighting spirit, carry forward the fine traditions of the Armed Police Force, earnestly implement the party's policies regarding nationality and religious affairs, and contribute more to upholding national unity and nationality solidarity.

Security Ministry Salutes Police

*HK101446 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 10 Mar 88*

[Text] On 9 March, the PRC Ministry of Public Security sent a telegram to the region's public security cadres and policemen and commanders and fighters of the Armed Police Force to salute them, expressing its indebtedness to them for effectively upholding safety during the Tibetan New Year and the reception activity.

The telegram says: On 5 March, toward the end of the reception activity, a few splittists, against the will of the masses of monks and people in Tibet and in disregard of the country's laws and Buddhist teachings, flagrantly started a rebellion, incited national division, and beat up

the public security cadres and policemen and commanders and fighters of the Armed Police Force who were maintaining order there as well as innocent people. You, attaching great importance to the unity of the motherland and nationality solidarity and not fearing shedding blood and sacrifice, bravely stepped in and resolutely quelled the riot in almost no time at all, thus frustrating the plot of the splittists. In the course of this struggle, Comrade Yuan Shisheng, a fighter of the Armed Police Force, heroically gave his life, 29 commanders and fighters of the Armed Police Force were seriously injured and admitted to the hospital, and another 200 or so commanders and fighters of the Armed Police Force and public security cadres and policemen were gloriously injured. With blood and their lives, they have upheld the unity of the motherland. The Ministry of Public Security deeply grieves the death of martyr Yuan Shisheng and respectfully salutes the injured comrades, those public security cadres and policemen and the commanders and fighters who were maintaining order during the reception ceremony, and their families, and will give citations to and commend those who have distinguished themselves.

Policeman Honored Posthumously

*OW091621 Beijing XINHUA in English 1555 GMT
9 Mar 88*

[Text] Beijing, March 9 (XINHUA)—Yuan Shisheng, a member of the Armed Police who was killed in the Lhasa riot last Saturday, received a title of honor posthumously today.

The title, "Devoted Guard on the Tibetan Plateau", was conferred on him in accordance with an order issued by Wang Fang, minister of public security and first political commissar of the Chinese People's Armed Police Force, and Li Lianxiu, commander of the Armed Police Force.

During the riot, Yuan stood fast on the roof of a three-story building for a postoffice in a rain of stones, reporting through a walkie-talkie the happenings down in the street to his superiors.

He and Yang Yucheng, a comrade of his, fought with rioters who climbed onto the roof. Later, they were cornered in a toilet on the third floor and were attacked by stone-tossing, steel bar- and knife-wielding rioters, who numbered about 40.

Yuan was killed and Yang seriously injured.

The order commended Yuan Shisheng, of Tibetan nationality, for the devoted service he had made since he joined the Armed Police Force in 1984, noting that for his bravery in saving his comrades from danger, he was once cited for meritorious service, third class.

Ministry Cables Condolence

*HK101458 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 10 Mar 88*

[Text] On 9 March, the PRC Ministry of Public Security sent a condolence telegram to the regional public security office, expressing its deep grief over the death of Comrade Yuan Shisheng.

The telegram says: Since he joined the force, Comrade Yuan Shisheng had always enthusiastically and faithfully performed his duties. On 5 March, during the struggle to maintain order at the reception ceremony in Lhasa, he fought bravely and unflinchingly in the face of fierce attacks by rioters. He has upheld national unity and nationality solidarity by sacrificing his precious life, thus displaying a fearless and revolutionary heroic spirit. He will forever live in the minds of the masses of public security cadres and policemen, commanders and fighters of the Armed Police Force, and Tibetan people.

NPC Standing Committee Continues Meeting

Examines Draft of Work Report

*OW100219 Beijing Xinhua Domestic Service
in Chinese 1234 GMT 9 Mar 88*

[Excerpt] Beijing, 9 Mar (XINHUA) — Deputies attending the 25th Session of the 6th NPC Standing Committee, who were examining the draft of its work report, pointed out that during the past 5 years the Standing Committee has achieved outstanding results in the development of socialist democracy and in the improvement of the socialist legal system, particularly in the field of legislation where important advancements have been made. However, further strengthening is needed when it exercises its functions of legal and work supervision.

During the group meeting today, the deputies held that the draft gives an appropriate account of the achievements and shortcomings in the work of the NPC Standing Committee by making an overall comparison and seeking truth from facts, and proposed that it be submitted to the First Session of the Seventh NPC for examination and approval. [passage omitted]

Deng, Zhao Elected Deputies

*OW101620 Beijing XINHUA in English 1553 GMT
10 Mar 88*

[Text] Beijing, March 10 (XINHUA)—Zhao Ziyang and Deng Xiaoping are among China's top leaders who have been elected deputies to the First Session of the forthcoming 7th National People's Congress.

Also elected are acting Premier Li Peng, as well as Qiao Shi, Hu Qili, Ulanhu, Wan Li and Hu Yaobang, according to officials from the Credentials Committee of the current NPC Standing Committee.

Deputies' Credentials Approved

*OW101215 Beijing XINHUA in English 0954 GMT
10 Mar 88*

[Text] Beijing, March 10 (XINHUA)—The credentials of nearly 3,000 deputies who will attend the First Session of the Seventh National People's Congress (NPC) which starts on March 25 were approved today.

The 29 provinces, municipalities and autonomous regions have elected a total of 2,970 deputies, according to Liao Hansheng, chairman of the Credentials Committee of the Sixth NPC Standing Committee.

Of the 2,970 deputies, 684 are workers and peasants, 697 are intellectuals, 733 are party or government officials, 267 are from the People's Liberation Army and 49 are returned Overseas Chinese.

Of the total, 1,986 are from the Chinese Communist Party. Out of the remaining 984 non-communist deputies, 540 are members of other parties or do not have any party affiliations.

There are 445 deputies, or 15 percent, representing the 55 minority ethnic groups. This compares with 13.5 percent in the Sixth NPC. There will be more women deputies, 634, compared with before.

The deputies come from many fields of expertise including entrepreneurs, managers, factory directors, scientists, technicians, teachers, artists and athletes.

Fifty-six percent of the new deputies have received higher education and the average age, 52.9, is slightly younger than the deputies to the Sixth NPC.

Liao Hansheng said that 863 deputies to the Sixth NPC have been reelected which "is necessary for the continuation and stability of the NPC work."

The Seventh NPC will have 2,978 deputies. The eight vacant seats will be filled by byelections later.

Joint Venture Law Discussed

*OW100444 Beijing XINHUA Domestic Service
in Chinese 1249 GMT 9 Mar 88*

[Excerpts] Beijing, 9 Mar (XINHUA)—Members attending the 25th meeting of the 6th NPC Standing Committee discussed in separate groups on 8 and 9 March a draft law on Sino-foreign joint ventures and the State Council's proposal on establishing the Hainan Special Economic Zone.

At the group discussion, members pointed out: The draft joint venture law, through repeated discussions and revisions, has matured and been perfected. We suggest that it be submitted to the first session of the Seventh NPC for examination and approval and be put into effect as soon as possible.

Member Qin Baoxing said: The revised draft has clarified the stipulations on joint ventures' tax payments, reductions, and exemptions. It has more clearly spelled out how foreign firms will recover their investments. It has more plainly explained the joint ventures' administrative organizations. [passage omitted] Members unanimously agreed on the State Council's proposal concerning the establishment of the Hainan Special Economic Zone.

Member Hou Xueyu said: Hainan Dao is our country's second largest island. It enjoys topographical and climatic advantages, and its natural conditions are favorable. The establishment of a special economic zone on Hainan Dao can help fully develop productive forces and our tropical resources. [passage omitted]

Committee Summarizes Work

OW091755 Beijing XINHUA in English 1527 GMT
9 Mar 88

[Text] Beijing, March 9 (XINHUA)—Members of China's National People's Congress (NPC) Standing Committee today summed up their own work in the past five years, at a time when their term of office is coming to an end.

Members attending the committee's on-going 25th meeting in preparation for a new congress later this month felt that great achievements have been made in the congress' work of legislation, supervision of governments at various levels, improved election systems and in foreign affairs activities.

Over the period, the Sixth NPC and its Standing Committee approved and published 35 laws.

Some members felt, however, that there had been insufficient supervision in the implementation of laws.

The NPC failed to play its exemplary role as it should in controlling inflation and in dealing with the devastating Daxinganling fire in northeast China last May, member Yuan Xuefen said.

Another member Hou Xueyu said that while the principle of democratic centralism has been well carried out in the committee's discussions, it has not been fully brought into the open.

Plane Crash Report Given

OW101318 Beijing XINHUA in English 1302 GMT
10 Mar 88

[Text] Beijing, March 10 (XINHUA)—An engine fire was the cause of a plane crash at Chongqing on January 18 that killed all 108 people on board, an investigation has concluded, State Councillor Zhang Jinfu said today.

Zhang, in a report to the 25th Meeting of the Plenary Session of the Standing Committee of the Sixth National People's Congress, said experts have confirmed the accident occurred after the Ilyushin-18 plane's fourth engine caught fire.

He described the disaster as an accident involving civil liability.

Hu Yizhou, director of the Civil Aviation Administration of China (CAAC), was reprimanded for the accident that happened at 10:15 p.m. as the Southwest-China Airline plane No. 222 was approaching Baishiyi Airport at Chongqing on a flight from Beijing.

The crash site was eight km from the airport. There were 98 passengers and ten crew on board. All were killed.

Cause of Train Crash Reported

OW101130 Beijing XINHUA in English 1104 GMT
10 Mar 88

[Text] Beijing, March 10 (XINHUA)—State Councillor Zhang Jingfu told the ongoing National People's Congress Standing Committee meeting today that the train crash earlier this year in southwest China was caused by a dereliction of duty.

He told the plenary session of the 25th meeting of Chinese People's Congress Standing Committee that the State Council had already accepted the resignation of Railways Minister Ding Guangen, and asked the committee to approve his resignation.

He said that express train No. 80 on the Kunming-Shanghai railway line derailed and overturned on January 24, killing 88 and seriously injuring 62.

The accident destroyed seven passenger cars and caused serious damage to the railway line. As a result, traffic came to a standstill for nearly 45 hours on the line.

Zhang said that the accident caused "great losses in terms of lives and property, and drew much concern both in China and from abroad."

After hearing a report of the accident on January 26 at an executive meeting, the State Council called for an investigation into the cause of the accident.

In response, a 27-man investigative unit was sent to the crash site with instructions to conduct a careful study.

Most investigators laid the blame on the sudden braking of the train while traveling at excessive speeds, while others attributed the derailment to a contact wire in the electrical locomotive which snapped.

To find out the exact cause, Zhang said, the State Council ordered a further investigation.

The state councillor said that the tragedy offered a painful lesson for China's railways and other industries, stressing that they should guard against such accidents in the future.

Supports Hainan Island Project

OW092202 Beijing XINHUA in English 1519 GMT
9 Mar 88

[Text] Beijing, March 9 (XINHUA)—The proposed designation of the Hainan Island as China's largest special economic zone has won support at the on-going 25th Session of the Standing Committee of the Sixth National People's Congress.

Members of the committee suggest that the proposal of the State Council be submitted to the first session of the next NPC for approval.

In examining the proposal submitted by acting Premier Li Peng, they express the belief that establishment of the new special economic zone will be of great significance to the endeavor to boost the economic development of the resources-rich island.

They also stress the need to allow Hainan to practise flexible policies and modern management systems for an economic take-off.

Meanwhile, Hainan will need to attract foreign capital and technology as part of the effort to build a foreign market oriented economy.

The NPC Standing Committee has already decided to submit another proposal from the State Council to the Seventh NPC for approval, namely, the proposal to make Hainan a new province.

Article Views Questions on Socialism, Reform

HK091511 Guangzhou GUANGZHOU YANJIU
in Chinese No 1, 1988 pp 34-36

[Article by Wang Yizhou (3769 6654 5297) of the Marxism-Leninism Research Institute under the Chinese Academy of Social Sciences: "40 Questions on Socialism and Reforms"—written in Beijing in October 1987]

[Text] Editor's note: Here is an article raising questions. This is an attempt at guidance by the magazine. Academic and theoretical problems often mirror the contradictions in real life. Accurately and profoundly raising questions is half the battle in resolving them. To this end, of course, it is necessary for us to firmly grasp the fundamental tenets of Marxism-Leninism and to acquire a sound understanding of all relations and links in the actual movement. Obviously, this job cannot be done by one or two people. The systematic theory on the initial stage of socialism adopted at the 13th CPC National Congress is an epoch-making contribution to the theory of scientific socialism. We eagerly hope all workers

engaged in social sciences will face the actual situation and look far and wide at the actual conditions in our country so as to "add their ounce" to the theory through their creative theoretical research. [end editor's note]

With the idea of gaining a fresh understanding of socialism in a systematic way, I have sorted out many questions that I have confronted in recent research activities. Below, I cite them in a simple question-and-answer form, hoping all my colleagues in theoretical circles will plunge into discussion and kindly give me their advice. Most of these questions have not been studied in a deepgoing way and there are no ready-made answers to them. However, I believe they are very important for the reform we are carrying out and the socialist cause we are developing, and that they call for immediate solution.

1. What is the real implication of the "initial" stage of socialism? Does it mean that our country is lagging behind only in a few aspects (such as economic development, living standards and technological advancement) or that it is lagging behind in all aspects (including the economic, political, social, cultural, and ideological fields)?

2. Are there only one, or several, or many, or numerous patterns or roads for the development of socialism, such as the Soviet pattern, the Yugoslav type, the Hungarian road, and the path of socialism with Chinese characteristics? What is the basis of its theory? What is the significance of its methodology?

3. What is the major motivating force in the development of a socialist society? Is it the previous class struggle and political revolution or the present market mechanism and "reliance on material stimuli"? Or have we so far not discovered the most effective and progressive source suited to the nature and conditions of our society?

4. Is it possible for a socialist society to confront antagonistic contradictions, conflicts, or even crises? What are the essential features of the crises? What are the economic, political, social, and psychological conditions leading up to the crises? How to prevent the appearance of similar phenomena?

5. Should we equate a society's capacity to survive with its superiority? Can we say that since practice proves that the socialist system has a tough and tensile capacity to survive (such as resistance against crises, disasters, wars, famine, and turmoil), it thus has the most powerful superiority? What is the significance of correctly distinguishing between the two concepts?

6. Do the traditions in different historical periods—the historical traditions of feudal society, those of the embryonic period of modern capitalism, those of the revolutionary war period, and the historical traditions of the first decades of the socialist construction period—

have any influence on present-day socialism and its structure? What are the positive and negative factors of the influences exerted in different historical periods?

7. What role do institutional and standardized factors and noninstitutional factors—the psychological, logical, and moral factors—play in maintaining the stability of a society and guaranteeing the legal status of political power, and how to give full play to these factors? How should we explain the following phenomenon, which has occurred in socialist countries: Measures adopted by the government, necessary and reasonable from the economic point of view (such as changes in retail prices of consumer goods) cause discontent among people of all social strata and even provoke turmoil and crisis (the Poland incident)?

8. With regard to the system of value aimed at seeking the best economic gains and the system of value based on social justice and equality as its essential principle—we may term them for short the “economic results view” and the “social morality view,” how do they conflict with each other in the course of reform? What are the point of departure and the basic direction when we weigh the two?

9. Under socialist conditions, that is, under the situation in which economic life is under the rigorous control of public ownership, the party, and the state and the distribution principle is mainly based on the fair distribution of social income, how are social conflicts fomented and how are they manifested? Compared with other social systems, and especially other contemporary social systems, what are the special features of a socialist society in relation to its social strata, the complex setup of the interests of different sectors, and the various requirements of different groups and people?

10. In a socialist society, what is the wealth limit for individuals? What is the maximum difference between lowest income and highest income? Can the income structure which did not have a big quantitative variation before the economic reform motivate the creativity of people in different social strata and tap their work potential? Will the present income structure, which has acquired a relatively big quantitative variation through economic reform, injure people's traditional feelings and offend the sense of what is universally accepted in society as fair?

11. What are the real implications of the principle of distribution according to work? To thoroughly implement the principle, what economic, political, social, and psychological conditions are needed? Is it possible to thoroughly implement the principle in real life? How should such a principle be implemented when the value-relations of commodities and of market economy are

developed? In other words, what impact will the emergence of equity securities, bonds and debentures, bonuses, capital, property rights, joint ventures, and hired labor produce on the traditional socialist principle of distribution?

12. China has adopted various measures to reform its economic structure, such as “the measure of ensuring the leading role of the planned economy, supplemented by market regulation,” the “system of integrating state planning with market regulation,” “planned economy with market mechanism,” and “the market-directed economy with regulation by state planning” (that is, “the state regulates the market, and the market guides enterprises”). Which of the measures will above all others make China's economic reform a success?

13. Is China's current economic reform at a stage when the old structure is coexisting with the new, or at a stage when the old structure is still, in essence, playing a leading role?

14. Is “planned prices” such as “policy price” really a good method, or simply a manifestation of the “utopian calculator” in the initial stage of socialism?

15. When relations of ownership (not referring to legal rights but the economic aspect) are not changed, is it possible to successfully carry out economic reform? In other words, does the traditional structure of ownership, in which state ownership plays a leading role, enable enterprises to achieve better economic results than the market mechanism?

16. Does the contracted management responsibility system enable enterprises to introduce the competition mechanism so as to become real commodity producers? Can it completely sever the “father-and-son” relationship between state and enterprise? Does it enable enterprises to consciously develop their business according to market rules rather than to administrative requirements?

17. Do different degrees of industrialization and modernization have different influences on economic reform? Actually this question has two aspects: What restrictions may countries with different levels of economic development impose on their economic reform? What different requirements and choices may a country have in its economic reform in different periods of its economic development?

18. Is the process of the natural economy changing to the commodity economy in the contemporary world purely a natural process or a man-made process? In terms of methodology, the significance of the question is: Is it possible for a socialist country engaged in economic reform to create an environment favorable to the market economy in a relatively short time?

19. What kind of relationship is there between economic modernization and political modernization? Is economic democracy followed by political democracy, or is political democracy followed by economic democracy, or do the two develop in step with each other?

20. In what fields are economic structural reform and political reform interrelated and mutually independent and promoted? And in what fields does each of the two have its own independent and unique value and content?

21. Are egalitarianism in economic life and centralization of state power in political life twin phenomena?

22. Why are the remaining influences of feudalism regarded as the chief obstacles to a modernized political structure? Why is it necessary to distinguish feudal influences from morality, culture, ideology, and institutional norms? How should the pernicious influences of feudalism be thoroughly liquidated in these fields?

23. As a universal phenomenon, does bureaucratism under socialist conditions have any differences or similarities in its manifestation as compared with bureaucratism under other social systems? What are the factors making for the differences?

24. How should the demand for socialist autonomy and the people's demand for democracy be institutionalized?

25. What is the significance of bringing political life into the open? What problems may it create? Is it a feasible practice?

26. What makes "leftist" errors play a leading role in the considerable period of development in socialist countries? Is it attributable to the guiding ideology of political leaders, to the flamboyant revolutionary enthusiasm prevailing in the primary stage of socialist construction, or to defects in the structure?

27. Under the previous political structure, why did people understand the Communist Party's leadership over political life as its control, domination, and supervision over all fields of life?

28. Under socialist conditions, what setups regarding political parties are practical? What form does the present cooperation between the CPC and other political parties represent? What is its significance and what are its merits and demerits?

29. What kind of relationship should there be between state power and social organization (mass organizations and the media) in a socialist society?

30. What positive influences do politics and culture (the predominant political attitudes, values, and feelings of a nation in a given period of time) exert on structural reform? And what are their adverse influences?

31. What ideological, cultural, and social atmosphere can change (people's) sense of worship into a sense of independent thinking, and a dependent personality into an independent personality?

32. What kind of relationship is there between the formation of the people's sense of citizenship and social modernization? How should the reform of the political structure, the reform of the economic structure, and all other reforms serve the formation of the people's sense of citizenship?

33. What kind of relationship is there between economic development and the growth of human beings? For example, how do the socialization of production, the socialization of information exchange, the internationalization of economic ties, and complicated economic results act on the raising of the quality of human beings (their sense of social responsibility, their way of understanding and approaching problems, their field of vision, and their breadth of vision)?

34. Why is the emergence of a self-closed structure which has virtually no contact with the outside world and the appearance of a society under its guidance in a given period of time possible? What are the conditions for its existence and self-reliance? Under what circumstances should such a structure and its society open to the outside world? Under what circumstances should its openness become an indispensable system?

35. What are the links between the internal and external affairs of a socialist country? As the structural reform is being carried out today, how should we cultivate new ideas about the world and new diplomatic concepts?

36. In the process of introducing reform which are mainly aimed at achieving better economic results, what kind of cultural undertakings may appear? In a social atmosphere in which competition and opening up are greatly affected by commodity and monetary relations, what should we do to prevent a serious imbalance "between the development of material production and the production of works of literature and art?" While ensuring economic growth, what should we do to promote a flourishing culture and an extensive raising of moral standards?

37. What do differences between theory and reform practice illustrate? Why can something in books not be seen in real life, while often something not in books can be seen in reality? Is this deviation in practice or a defect in theory?

38. What changes have taken place in the application of Marxist theory to China? Of those changes, which are positive and which are passive? Which changes are still of guiding significance? Which changes are outmoded?

39. What is the difference between ideology and scientific theory? Is Marxism a kind of ideology or a scientific theory? How should we explain the links between Marxism and the current reform?

40. What are the relations between the three things—the reform drive (with the masses of the people as its main body), the reform policies (formulated and implemented by the party and the government), and the reform theory (the task of research fellows)? How can the three be combined organically?

The socialist system appeared in the world fully 70 years ago. It is worthwhile for us to think over the 70-year process again and again. Only by making a comprehensive and far-reaching analysis and study of the economic, political, social, cultural, psychological, and historical aspects will we be able to lay a solid foundation for socialist reform, a great cause without parallel in history. This is the basic point of departure for the author in raising these questions.

Socialist Society Progresses Amid Reforms
HK091414 Beijing RENMIN RIBAO in Chinese
26 Feb 88 p 5

[Article by Yu Wujin (0205 0710 6855): "Socialism Is a Society Which Is Progressing Amid Reforms"]

[Text] The key task of the 13th National CPC Congress was to speed up and deepen reforms. From the report to the 13th congress, we can see that the problem of reforms has become a conscious theoretical notion of our party. Judging matters from the perspective of the existence and development of socialist society, we know that reforms are neither an emergency measure nor a makeshift device which might be abandoned halfway at the mere rustle of leaves in the wind. On the contrary, they are of vital and lasting importance, and they have become an important content of the basic line of the party during the initial stage of socialism. They have become a basic driving force for promoting all work.

Now, it is no longer suitable for us to talk about reforms in generalities. We should think of and theoretically explain their historical role in a systematic way in the initial stage of socialism, and even the entire socialist stage.

Reforms Are an Important Driving Force for Promoting the Development of Socialist Society [subhead]

Historical development has shown that at the end of the revolutionary struggle period of seizing state power, all socialist countries face a period of socialist construction in order to consolidate state power. There is no doubt that the basic driving force which promoted the development of the earlier historical period was class struggle. What is the basic driving force which promotes the development of the later historical period? As far as our country is concerned, although the 8th National CPC

Congress has already provided a correct answer to this question, historical facts since the congress show that we have not solved this problem in both theory and practice. After a comparatively long period of time, we still regarded class struggle as a basic driving force for promoting various kinds of socialist work and persisted in the erroneous slogan of "taking class struggle as the key link." We categorically asserted the existence of the bourgeoisie in the entire socialist historical period, and its attempt to restore capitalism. We launched one political campaign after another with class struggle as a key content so that the work focus of the entire party and the whole country could not be shifted to economic construction for a long period of time.

An idea of the "two historical leaps" with regard to the integration between Marxism and practical reality in China is mentioned in the report to the 13th National CPC Congress. This shows a profound consideration of the issue of driving forces for the development of socialist society. This idea has shown that during a period of time after the founding of the People's Republic up to the eve of the convening of the 3d Plenary Session of the 11th CPC Central Committee, what was uppermost in our minds was still the first leap. In other words, we still persisted in the ideological line of taking class struggle as a center, which was put forward during the period of new democratic revolution. During the "Great Cultural Revolution," the development of this ideological line logically reached its peak. The bitter lesson drawn from the "Great Cultural Revolution" has told us that during the period of socialist construction, it is dreadful to contemplate if we still regard class struggle as a principal contradiction and still take class struggle as a basic driving force for the development of society. The 10-year catastrophes compelled us to reconsider the issue of the basic driving force of the development of the socialist society. We eventually realized that reforms are the true driving force. The report to the 13th National CPC Congress points out: "Socialism is a society which is progressing amid reform," and "reforms are an important driving force for the development of socialist society." This is a very important conclusion drawn from the experiences of the socialist construction in China that has been carried out for several scores of years. Actually, today many socialist countries have also been carrying out reforms in different forms and in varying degrees in accordance with their own experiences and actual conditions. Reforms have become a historical trend that cannot be resisted.

Reforms Are a Fundamental Measure for Perfecting Socialist Production Relations and Superstructure [subhead]

It is known to all that socialism in China emerged from the womb of a semi-colonial and semi-feudal society. The level of our productive forces lags far behind that of the developed capitalist countries. As far as production relations are concerned, natural economy and semi-natural economy have assumed a very large proportion.

Our socialist economic system is still completely immature. As far as superstructure is concerned, there are still many defects in our socialist political system, and bureaucracy is comparatively serious. All this has greatly hampered the development of the productive forces and the socialist commodity economy. To change this situation and emancipate and greatly develop the productive forces, we should continuously improve socialist production relations and the superstructure amid reforms. We should pay attention to the following problems in reforms:

1. We should persist in all-round reforms. Reforms involve not only economic structure but also political structure, concepts, culture, way of life, and so on. In a word, reforms mean an overall readjustment and change. However, in the process of reforms, we should avoid "rigid uniformity" and disregarding the order of priority. We should pay attention to experiments and to carrying out reforms in an orderly way and step by step.

2. Reforms have an implication of destroying the old and fostering the new. They should persist not only in resolutely destroying or correcting things in production relations and superstructure which hamper the development of productive forces, but also in actively fostering and establishing the new organizations, new mechanisms, and new standards that are needed for the development of the productive forces. The second task is more difficult, because supporting new organizations, new mechanisms, and new standards will inevitably lead to the readjustment of the interests of various quarters in society. Contradictions and obstructions will occur. The key of all problems lies in the fact that we should expeditiously promote those new things which have great vitality, and that we should avoid being puzzled by those old things under a new cloak.

3. Reforms should stand a test. A newborn baby will inevitably bring some dirty things with it from the mother's womb. In the process of reform, due to the fact that the old system is being replaced by the new one, and that there is a discrepancy between the newly established things and the old ones, various kinds of passive phenomenon will inevitably occur, such as tax evasion, tax dodging, smuggling, offering and accepting bribes, violating the law, graft and embezzlement, moral degeneration, and so on. We should not change the general guiding principle and policy of reforms and opening up because a small number of people fail to stand the test. We should not suspend the reforms and opening up merely because we are cleaning the dust. We should integrate our efforts to overcome these negative phenomena with reforms and construction. On the other hand, since reforms are carried on a trial and exploratory basis, we might take a roundabout course, or even encounter zigzags. It is impossible for us to demand perfection in everything in reforms. Reforms are a long-term task and should stand the test of stormy waves.

Reforms Are the Only Way for Emancipating the National Spirit [subhead]

Every nation has its own spirit. This spirit is inseparable from, and closely connected with, the economic and political life. Due to the long-term influence of the feudal tradition, and the mistake we committed after the founding of the People's Republic of regarding things which hampered the development of productive forces as a "socialist principle," we opposed things which were beneficial to the development of the productive forces and modernization, and wrongly regarded them as the "restoration of capitalism." This caused a unitary economy, an ossified political system, and overconcentration of power. Parallel to these was the growth of a conservative, parochial, and ossified national spirit. Conservatism meant the small producers had an overcautious attitude and that they lacked courage to make progress. Narrow-minded national spirit meant resting content with narrow views, and lacking breadth of vision and the spirit of exploring the way forward. Ossified national spirit meant immutable and outmoded concepts and the absence of an atmosphere of democracy and freedom and the development of new ideology. History and practice have told us that by relying on large-scale political movements like the "Great Cultural Revolution" and so on, we are unable to renew our national spirit. On the contrary, we will completely destroy those good things in the national spirit. Just as the report to the 13th National CPC Congress points out, only reforms and opening up can smash the fetters of the ossified economic and political systems and destroy the trammels of the old concepts which have stifled our minds for a long time, so that our national spirit will be emancipated. Through the test of reforms over the past 9 years, the practice of actively promoting transformation, daring to explore the way forward, respecting democracy, and attaching importance to substantial results has become the order of the day. A number of new ideas that are in line with the trends of social progress have also come to the fore. All this is beneficial to modernization, and public opinion and the concept of value in favor of reform and opening up. Reform has renewed the national spirit and enhanced the people's creativity. This has created conditions for the great invigoration of the Chinese nation.

Reforms Have Added Contents of the New Era to the Four Cardinal Principles [subhead]

In the past, some people used to treat the four cardinal principles from their ossified viewpoint; namely, the viewpoint which regarded class struggle as the center of everything. Therefore, they always set the four cardinal principles against reform and opening up. Now we should completely change this view. We should treat and understand the four cardinal principles from an angle of the general guiding principle of reforms and opening up. Only thus can we add contents of the new era to the four cardinal principles. For example, "upholding the socialist road" does not mean that we should stick to the the

view of "poor socialism," or "eating from the same big pot." On the contrary, we should greatly develop the commodity economy and push socialism forward amid reforms. "Upholding Marxism-Leninism-Mao Zedong Thought" does not mean that we should dogmatically talk a lot about class struggle under the historical conditions of socialist construction. We are required to integrate theories with practice, to proceed from our special national conditions, and to build socialism with Chinese characteristics. It is obvious that we should not look at the four cardinal principles from a fixed, unchanging point of view. We should proceed from the general guiding principle of reforms and opening up to explain in a new way the social and historical implications of the four cardinal principles.

Commentator on Proper Consultation, Dialogue
HK100145 Beijing RENMIN RIBAO in Chinese
4 Mar 88 p 1

[Commentator's article: "Do Not Vulgarize Consultations and Dialogues"]

[Text] In the 13th CPC report, Comrade Zhao Ziyang proposed the establishment of the system of social consultation and dialogue, which has been widely extensively. At one time, dialogues became a popular topic of conversation. Many places, departments, and units conducted dialogues in different forms. People called for, participated in, and discussed dialogues, showing their strong desire and full enthusiasm for the building of socialist democratic politics and at the same time putting forward many appropriate views and constructive suggestions. This newspaper has received a large number of letters and articles from readers, which praise these views and suggestions and at the same time, express some views on those specious consultations and dialogues.

—"Conducting dialogues for the sake of dialogues." The tendency toward rushing headlong into mass action has appeared in some places. Due to insufficient preparation, the majority of the dialogues became a mere formality. Perhaps they were excessively exaggerated without much substance, irrelevant answers were given, and something was done perfunctorily as a mere matter of form; a tone and a framework were set and a draft made in advance, when the time came, one asked the question and one answered it, a great show of being in earnest was made, and the masses bluntly ridiculed this as a "game" and a "rhymed dialogue." Furthermore, individual units summoned all their members to dialogues not less than 10 times a month. In the beginning, they still had something to say but later on, they sat face to face speechless, and a solemn thing was turned into an awkward one.

—"Dialogue was a basket, into which everything was put." What was put into the "basket" included: conveying of spirit, study of problems, reports of work, arrangements for tasks, working on the spot, going down to the

grassroots to conduct investigation and study, and so on. It seemed that what was involved in the dialogue would have a sudden rise in social status.

—"Bureaucratic tone, official jargon, and bureaucratic airs." Although leading comrades came down, they did not do away with their airs and could not get rid of the malpractice in which one person alone has the say. As a result, a dialogue became an admonitory talk to subordinates. The party "addressing" called for: "People at the dialogue should pour out their hearts."

—Getting entangled in trivialities.

A letter from a reader points out: When a good thing is vulgarized, it will lose its original outlook and become a mere formality. It is not only the reader that is worried. The foregoing various phenomena fully prove that this is not an excessive anxiety.

As social consultations and dialogues have just started and are immature, some problems will unavoidably emerge. The best moment to solve the problems is at the embryonic state. It is now the embryonic state. To make this new-born baby of socialist democratic building grow healthy, it is necessary to further clearly understand its aim and principle.

In the 13th CPC report, Comrade Zhao Ziyang explained very clearly: "The basic principle for establishing the system of social consultations and dialogues is to foster the excellent tradition 'from the masses, to the masses,' to increase the degree at which the leadership organ activities are made known to the masses, to allow people to know about important situations, and to discuss important problems." To further perfect the socialist democracy of our country, it is a pressing matter of the moment to make the activities of the leadership organs better known to the people, to strengthen the people's rights of knowing, discussing, participating in, and supervising the government and political affairs, and to really enable the citizens of the People's Republic to enjoy the rights of managing state affairs not only in the state system but also in the system of government. The establishment of the system of consultations and dialogues is an effective way to achieve this target. Its significance will persuasively embody the policy decisions of the leadership organs being made democratic and scientific, the strengthening of the leading cadres' sense of public servant and of the masses' sense of participation, the reduction of the unhealthy trends, and the elimination of bureaucratism. Therefore, all ways that violate the principle of democracy and being open, the principle of sincerity and egalitarianism, and the principle of seeking truth from facts run counter to the system of consultations and dialogues.

We are just in the period of exploration of this issue. If we say that how to vigorously open up the existing channels of dialogues and how to give full play to the role of the modern means of propaganda is one aspect of our

exploration; the other aspect should be establishing the necessary regulations and systems on the foundation of a pilot project so as to ensure the masses' rights of directly or indirectly participating in the administration of the state and social affairs. Things can be done well if systems are applied to define the forms in which the important matters are made known to the masses, the forms in which the masses are allowed to participate in the discussion of important policy decisions, and the scopes in which and the levels at which decisions on the problems can be made after the people's consent is sought. Only by doing so can we effectively prevent formalism whereby we rush headlong into mass action and break up in a hubbub and can we make the social consultations and dialogues not or less be interfered with by other factors. At no time must we forget that really protecting the people's right of being the masters of their own affairs is most important in building socialist democratic politics.

Commentary on Rigors Faced by Public Officials
HK100452 Beijing CHINA DAILY in English
10 Mar 88 p 4

[By CHINA DAILY commentator: "Ups and Downs"]

[Text] Officials these days are having more ups and downs, and it is becoming harder for blunders or negligence to be hushed up and forgotten.

The decision at last Saturday's cabinet meeting to accept Railways Minister Ding Guangen's resignation highlights a "down case." Ding admitted responsibility for three successive train accidents at the turn of the year, all catastrophic, the most terrible one being the derailment on January 24 killing 88 passengers.

At the same time, Hu Yizhou, Director of the Civil Aviation Administration of China, made a public apology and was severely disciplined for the January 18 airline crash that claimed 108 lives.

These remind people of former Forestry Minister Yang Zhong, sacked by the State Council for ineptitude during the forest fires in the northeastern mountainous areas last May. Before this, the public had never known of a cabinet minister resigning or being dismissed for failure to perform his duties.

All this is being viewed with interest and satisfaction because law and discipline are being strengthened to make officials more accountable to the people.

However, what has taken place at the national level cannot be seen as isolated events designed to appease public sentiment. There have been many more changes of the guard at local levels—particularly in the latest elections of regional deputies to the people's congresses and administrative leaders. In Liaoning Province alone, 291 officials at the township, county and city levels failed to win a second term.

When democracy becomes more procedural and officials come under stricter supervision, younger and competent individuals have more opportunity to emerge. It should be noted that among the newly promoted officials, some were once found wrong and demoted to lower levels, where they mended their work style and reputation as well. Lei Yu lost his post as head of the government of Hainan Island for being ineffective in checking the scandalous automobile speculation that broke out in 1985. But this time he is an "up case"—elected vice mayor of Guangzhou after serving as a deputy county magistrate for the last two years.

The public welcomes these ups and downs chiefly for three reasons.

First, with the normal functioning of the procedures for promotion or discipline, officials have to take their work more seriously and listen to the masses more carefully.

Second, disciplining incumbents is entirely different from the senseless but prevalent practice in the past, when cadres either enjoyed life tenure without doing much or suffered total disgrace and never got a fair hearing and a chance to correct themselves.

Third, when changes of officials become more regular and more dependent upon the decisions of the people's congresses that reflect public opinion, they certainly indicate progress in institutionalizing socialist democracy.

'Criticized' Pair To Address Local Seminar
HK100501 Hong Kong HONGKONG STANDARD
in English 10 Mar 88 p 3

[By Yau Shing-mu]

[Text] Two prominent Chinese intellectuals who were criticised during the campaign against liberal Western ideas last year have been granted permission to speak here next week on China's political reforms.

They are the director of the Institute of Political Science at the Chinese Academy of Social Sciences, Mr Yan Jiaqi and the editor of PEOPLE'S LITERATURE, Mr Liu Xinwu.

They will be guests of honour at the 40th anniversary of the local pro-Beijing newspaper TA KUNG PAO.

The paper's deputy bureau director, Miss Fei Fih, said yesterday a seminar would be held in the meeting hall of the Chinese General Chamber of Commerce on March 17 and the pair would return to the mainland on March 23.

Each will present his personal views on the future of China's politics and literature, Miss Fei said.

Both are expected to arrive here on Monday or Tuesday, once they receive their visas.

Mr Yan, author of "The Ten Years of the Cultural Revolution" and "The Leaders" was criticised, purged and blacklisted last year for spreading bourgeois ideas.

Mr Liu was suspended after his monthly carried a novel about life in Tibet early last year. The novel was blamed for spoiling relations between the Tibetans and the Hans.

Permission for their visit comes in the wake of the liberal policy being promoted by General Secretary Zhao Ziyang.

Some other purged intellectuals have been allowed to travel abroad.

Journalist Liu Binyan, who was expelled from the party, will visit the United States at the invitation of the University of California, Los Angeles, and spend a year at Harvard.

And Mr Su Shaozhi, who was removed from the directorship of the Institute of Marxist Study during the conservative backlash, will soon go on a study tour to Oxford University.

Despite this new freedom, most Chinese intellectuals feel a more fundamental question still needs to be addressed in order to boost morale among their ranks.

They want the positions and reputations of eight purged intellectuals restored.

These are Liu Binyan, astrophysicist Professor Fang Lizhi, writer Wang Ruowang, editor Wang Ruoshui, playwright Wu Zuguang, and theorists Su Shaozhi, Sun Zhangjiang and Zhang Xianyang.

'Complete Legal System' Taking Shape
OW091641 Beijing XINHUA in English 1434 GMT 9 Mar 88

[Text] Beijing, March 9 (XINHUA)—A complete legal system based on the Constitution is taking shape in China, thanks to work done over the years to improve the country's legislation.

Over the past five years, the Sixth National People's Congress and its Standing Committee adopted 35 laws, 11 decisions on law revision and 17 decisions on other matters of law.

They have provided norms for political, economic and social life as well as other basic aspects in the country, said the official from the General Office of the NPC Standing Committee.

To meet the needs of the on-going reform, the Standing Committee has been focusing its legislative work on economic laws. Of the 35 laws made, 22 are economic and 10 concern opening the country to the outside world.

The Congress has also authorized the State Council to make provisional regulations on economic reform and open policies.

The laws and regulations have played important roles in promoting a commodity economy, introducing foreign investment and consolidating results of the reform, the official said.

Legislative progress has also been made in developing socialist democracy and improving the socialist legal system.

For instance, the election system has been improved, more powers in making local decrees given to local people's congresses and the democratic way of decision-making systemized.

However, the official said, quite a number of important laws still remain to be made. They include the private enterprise law, maritime law, investment law, company law, labor law and rural enterprise law.

Efforts should also be devoted to making administrative laws, including administrative proceeding law and public servant law, so as to put Chinese administrative work on a legal basis.

He also emphasized the importance of making laws on news media, press, association, assembly and demonstration. Meanwhile, people's appeal system should be established to protect citizens' legal rights and freedom.

However, he said, indiscriminate use of the rights and freedom should be checked in a bid to maintain the situation of stability and unity.

Zhao, Li Peng on Developing Coastal Areas
OW100841 Beijing XINHUA Domestic Service in Chinese 1626 GMT 8 Mar 88

[Newsletter: "After the General Secretary and Acting Premier 'Gave the Green Light'" by XINHUA reporter Yu Youhai]

[Excerpts] Beijing, 8 Mar (XINHUA)—Today is a warm and sunny day in Beijing. Representatives to the national conference on opening coastal areas to the outside world are especially excited. Yesterday afternoon some of the representatives attended a forum together with General Secretary Zhao Ziyang and acting Premier Li Peng. Since early morning they have been avidly discussing what was said at the forum.

The comments made by General Secretary Zhao Ziyang and acting Premier Li Peng on the remarks of Guangdong Deputy Governor Yu Fei are the topic of their discussion.

Yu Fei, who was the first to speak at the forum, praised the success of the national conference on opening coastal areas to the outside world and the policy formulated at the meeting. However, he said, he was worried that the policy may change in future and that a retreat will have to be made in executing the central authorities' flexible policies because of obstructions by some departments. He suggested that if it was impossible to "advance" the established policy, the least we should do is not to go backward.

Hearing Yu's remarks, Zhao exchanged views with Li Peng, who sat nearby: "How could it be possible to go backward?" He asked: Hasn't the policy on the economic development strategy for the coastal regions been written into documents?

Li Peng answered: "There will be no retreat." He went on to tell Yu Fei and other comrades present at the forum: The State Council has convened several meetings, and policy documents on further opening up are being studied and discussed by the relevant departments. We have basically reached a consensus on this matter and the documents will be officially released after further deliberations and improvement. I am sure that there will be no retreat; you can rest assured about it. [passage omitted]

At the forum yesterday afternoon Comrade Zhao Ziyang praised Tianjin City. He said that foreign businessmen have commented favorably about Tianjin's good investment environment and its high efficiency. He urged other localities to draw on Tianjin's good experience. Normally, Tianjin representatives would have been happy about the praise. However, instead they concentrated on discussing their shortcomings. Vice Mayor Li Changxing said: Compared with the past, we have made some progress but there still is a big gap compared with what is required by the central authorities' economic development strategy for coastal areas.

At today's closing session of the conference, Vice Premier Tian Jiyun reiterated Comrades Zhao Ziyang and Li Peng's idea of "giving the green light." He said: Likening the economic development strategy for coastal areas to the strategy in playing a Chinese chess game, comrades of both the central and local departments are like soldiers who have crossed the river and have no choice but to advance. The policy and plans have been adopted and we must advance, not retreat. [passage omitted]

Li Peng Discusses NPC, CPPCC Proposals

OW100925 Beijing XINHUA Domestic Service
in Chinese 0258 GMT 10 Mar 88

[Excerpts] Beijing, 10 Mar (XINHUA)—It has been learned from the departments concerned that all 3,014

proposals made by NPC deputies during the Fifth Session of the Sixth NPC had been handled by the end of last year. It has also been learned that, except for a few which had not been submitted in time, the 1,800 motions made by CPPCC National Committee members since the Fifth Session of the Sixth CPPCC National Committee had also been handled. The percentage of proposals and motions handled by the various departments under the State Council and the various provincial, autonomous regional, and municipal governments was 84 and 82 percent respectively.

Regarding a report prepared by the Secretariat of the State Council General Office on the work done on the proposals made by NPC deputies and the motions submitted by CPPCC National Committee members, acting Premier Li Peng of the State Council wrote the following comments a few days ago: "Attach importance to the proposals of NPC deputies and the motions of CPPCC National Committee members and use them to supervise and improve the work of the government. This is an important step in developing democracy and strengthening the legal system. It is hoped that the General Office will continue its efforts to do a still better job in this respect."

The report of the Secretariat of the State Council General Office shows that leaders of all units are paying attention to the handling of NPC deputies' proposals and CPPCC National Committee members' motions. They have all established and perfected the system of handling these proposals and motions. Being handled with greater speed and with better quality work, the percentage of proposals and motions accepted and acted upon is clearly higher than ever before. [passage omitted]

The State Council departments concerned point out, however, that development of the work in handling proposals and motions has not been balanced in all units. There still remain some problems. In some departments, leaders are not paying enough attention to this work and not very eager to solve problems that can be solved. In some units, the work load is getting heavier every day while organizational strength still falls short of requirements. There is also room for improvement with regard to information and experience exchange among units handling this work. Since handling NPC deputies' proposals and CPPCC National Committee members' motions is a long-term task and a major content of the work of building socialist democracy, it is necessary to step up this work in future as the reform of the political system deepens.

Yan Mingfu Addresses Nationalities Meeting

OW100825 Beijing XINHUA Domestic Service
in Chinese 1405 GMT 9 Mar 88

[By reporter Ge Lai]

[Text] Beijing, 9 Mar (XINHUA)—The State Nationalities Affairs Commission held a meeting of chairmen of nationalities affairs commissions in various provinces,

municipalities, and autonomous regions throughout the country between 7 and 9 March in Beijing. The meeting was held to make arrangements for its work for 1988 and to study preparations to convene a national meeting to commend advanced units and individuals for promoting unity and progress among people of all nationalities.

Attending this afternoon's closing session of the meeting were Yan Mingfu, member of the Secretariat of the CPC Central Committee and head of the United Front Work Department of the CPC Central Committee, and Fei Xiaotong, vice chairman of the CPPCC National Committee.

Yan Mingfu spoke at the closing session. He said: The report to the 13th National CPC Congress pointed out that safeguarding the unity of the motherland, upholding equality and solidarity among the nationalities, and promoting their common prosperity are of vital importance to the country's future. All this proceeds from the basic state of affairs in our country as a multinationality nation in which minority nationality regions account for over 60 percent of the country's total area. This basic state of affairs in our country has determined that people of all nationalities are so closely related that they are inseparable from each other. In the course of developing the socialist modernization program, the Han people are inseparable from the people of minority nationalities, and the people of minority nationalities are inseparable from the Han people. Only when people of all nationalities work in solidarity, treat each other like brothers and sisters, and support and learn from each other, can it be possible for China to carry out its work well in all fields and succeed in developing its socialist modernization program.

Yan Mingfu said: Following the development of the reform and open policy and the four modernizations program, there have been more frequent contacts between peoples of all nationalities, and their relations have become closer than ever before. In particular, the practice of the strategy for the development of China's coastal areas will provide the areas inhabited by minority nationalities a good opportunity to develop themselves and will help people of all nationalities communicate with each other and strengthen their ties. We must seize this opportunity to further strengthen ties and cooperation between the minority nationality regions and the coastal areas, and promote common prosperity among all nationalities.

Ismail Amat, minister in charge of the State Nationalities Affairs Commission, also spoke at the meeting. After reviewing China's achievements in handling nationalities affairs last year, he said: This year, we must exert great efforts in carrying out our work in the following aspects:

—Further emancipate our minds in doing work with regard to nationalities affairs, deepen our understanding over the situation among the minority nationalities and

in the minority nationality regions during the initial stage of socialism, and implement the guidelines of the 13th National CPC Congress in line with local conditions.

—Quicken our pace in developing the economy in minority nationality regions, emancipate the productive forces, and use the enormous impetus of the commodity economy to break the blockade of the minority nationality regions.

—Accelerate economic development by implementing the reform and open policy and enhancing the capability to develop ourselves; quicken our pace and deepen the reform in minority nationality regions; and make all our policies and measures tally with the local conditions.

—Vigorously arouse the enthusiasm of the cadres and the masses in accelerating economic developments and bringing about changes as soon as possible.

—Safeguard the unity of the motherland, strengthen solidarity among all nationalities, develop democratic politics in minority nationality areas, and continue to implement the "Law on National Regional Autonomy."

In his speech, Ismail Amat called on cadres of all nationalities to work hard with a revolutionary drive, change their work style, and wholeheartedly serve the people of minority nationalities and the minority nationality regions.

Responsible persons of the United Front Work Department and the State Nationalities Affairs Commission including Jiang Ping, Zhao Yannian, Huang Guangxue, and Zhang Zhu also spoke at the session.

Tian Jiyun, Li Ximing at Award Meeting
OW100821 Beijing Xinhua Domestic Service
in Chinese 1202 GMT 9 Mar 88

[By RENMIN RIBAO reporter Yan Shigui and XINHUA reporter Yan Zhenguo]

[Excerpts] Beijing, 9 Mar (XINHUA)—At a meeting this afternoon Tian Jiyun, member of the CPC Central Committee Political Bureau and vice premier of the State Council; Li Ximing, member of the CPC Central Committee Political Bureau; and other leading comrades happily presented awards to advanced units and enthusiasts who contributed to the capital's greening campaign. They also encouraged the capital's people to engage more extensively in the mass campaign for planting trees, flowers, and grasses to make the capital greener and more beautiful. [passage omitted]

Chen Xitong, chairman of the capital's greening committee and mayor of Beijing Municipality, presided over the meeting. [passage omitted]

Duan Junyi, Wang Renzhong, Wang Enmao, Hong Xuezhi, Gao Dezhan, Ye Rutang, Wang Xian, Jiao Ruoyu and over 6,000 cadres and people from Beijing, the CPC Central Committee and state organs, and troops stationed in Beijing attended today's meeting.

Tian Jiyun Urges Coastal Import Expansion
HK100500 Hong Kong TA KUNG PAO in English
10-16 Mar 88 p 1

[By staff writer]

[Text] Contrary to Beijing's traditional policy, provincial governors and mayors from China's coastal regions were told at a recent meeting to expand, instead of cutting, imports.

Vice-Premier Tian Jiyuan told these officials to 'expand import as well as export' at a meeting on coastal economic development which ended in Beijing on 8 March. 'Use import to develop export,' he stated.

For many years, Chinese manufacturers have had to rely on a minimum of imported raw materials in order to save the precious foreign exchange. The longstanding policy was to use as much domestic raw materials as possible to back the country's export trade.

Tian's remarks reflected the new stance of China's economic development strategy for the comparatively more developed coastal regions to import raw materials, process them, and sell the finished goods on the international market.

In staking both the supply of raw material and sale of finished or semifinished products on the international market, China hopes to accelerate development of its coastal regions without putting excessive strain on the limited resources of its vast interior.

While the potentials of the interior are enormous, Beijing planners are obviously aware that their development would require time and investment beyond the country's present means.

The coastal regions are not only encouraged to import raw materials, but also new technology in bid to upgrade the quality of exports.

China's seaboard is chosen to develop the outward-looking economy because of its well-trained but low-cost labour force, strong industrial bases and communication facilities.

Coastal manufacturers are now allowed to retain a significant portion of their foreign exchange earnings for the purchase of fresh supplies of raw materials from abroad. The method was called 'entering the great international circuit' by CCP [Chinese Communist Party] General Secretary Zhao Ziyang following his three inspection tours to coastal regions since last November.

A comprehensive report written by Zhao following these coastal tours was discussed and approved by the CCP's Political Bureau in early February.

Extremely happy with the report, Deng Xiaoping commented: 'I am all for it. We must go ahead boldly and quicken our pace. We must not let the strategic opportunities go by.'

The 'strategic opportunities' is a reference to Zhao's observation of marked changes in exchange rates and the current trend of international investment.

Tian noted that a large number of domestic manufacturers of export commodities are still detached from the international market. This has greatly retarded the progress of China's export trade, he said.

He called for an integration of trade with the manufacturing sector, and said this should be an important part of the current reform of the foreign trade mechanism. Foreign trade departments can join the effort by purchasing shares in the enterprises that have been established in the coastal villages and towns, Tian stated. They can also assist by supplying economic information and in marketing the products.

Among those who attended the meeting were not only top CCP leaders including Zhao Ziyang and Acting Premier Li Peng, but also leading officials in charge of economic affairs including Li Tieying, head of the all-important State Commission for Restructuring the Economy; Gu Mu, who has special responsibilities for affairs related to overseas investment; Chen Muhua, president of the People's Bank of China; and Wang Bingqian, Minister of Finance.

Zhang Aiping Attends Photography Contest
OW100809 Beijing XINHUA Domestic Service
in Chinese 0803 GMT 7 Mar 88

[Text] Beijing, 7 Mar (XINHUA)—A photography grand prize contest aimed at using cameras made in China to show contemporary Chinese scenes concluded today with a ceremony held in Beijing to award prizes to the winners. Attending the ceremony were State Councillor Zhang Aiping and Chairman Shi Shaohua of the China Photographers Association.

"China's First Grand Prize Photography Contest Using Dongfang Cameras" received more than 8,000 entries from 1,811 professional and amateur photographers in 29 provinces, municipalities, and autonomous regions. With the rapidly developing camera industries in China, cameras of various types made in China have been used to show scenes of modern cities, rural changes, and modern man. Two outstanding photographers won first prizes, and four won second prizes. All the prize-winning photographs will be on display at the China Art Gallery.

The contest was jointly sponsored by the Tianjin Camera Company, XINHUA "PHOTOGRAPHY WORLD" magazine, JIEFANGJUN BAO, the All-China Photography Society for Overseas Chinese, and the Editorial Department of "CAMERA" magazine in Hangzhou.

Scientists Develop Satellite Tracking Device
*OW100849 Beijing XINHUA in English 0831 GMT
10 Mar 88*

[Text] Urumqi, March 10 (XINHUA)—A computer-controlled device which can automatically track communication satellites has been perfected by scientists working at a ground station in northwest China's Xinjiang Uygur Autonomous Region.

According to the ground station's director, after a one-year trial period, the device has been proven to be effective.

Communication satellites drift in and out of orbit often causing communication to be interrupted, the director explained, and with the new automatic tracker, the incidents of interruption are greatly reduced.

PLA Sells First Patent Rights Abroad
*OW100912 Beijing XINHUA in English 0748 GMT
10 Mar 88*

[Text] Beijing, March 10 (XINHUA)—China's People's Liberation Army (PLA) is selling a patent for mechanized bridge technology abroad, today's "LIBERATION ARMY DAILY" reported.

An engineering research institute affiliated with the PLA's General Staff Headquarters has been applying technological achievements to the country's national defense and economic construction for the past few years.

According to the report, the institute has also been looking for ways to export technology and this transaction is the institute's first dealing with a foreign country on patent rights.

A contract has just been signed for the transfer of the technology, which will earn several million U.S. dollars for the institute, the paper said.

'Special Interview' With Economist Published
*HK100720 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 8 Mar 88 p 2*

["Special Interview" by Chen Dongqi (7115 2639 3825) and Dong Huanliang (5516 3562 0081): "Deepen Reform by 'Taking Cautious Steps'—Interview with Liu Guoguang, Economist and Vice President of the Chinese Academy of Social Sciences"]

[Text] China has conducted reform continuously for 9 years. For the past few years we put forward the guiding principle of "being prudent in fighting the first battle."

During the period from now to 1995, the last year of the Eighth 5-Year Plan, what guiding principle should we put forward for the medium-term economic structural reform plan? Liu Guoguang, noted economist and vice president of the China Academy of Social Science, put forward the guiding principle of "taking cautious steps."

Liu Guoguang stressed that China's vast area and its complicated problems are unlike those in any other socialist country which conducted reform before China. Reform in China is obviously more difficult than that in the socialist countries. We are thus required to pay more attention to tactics, technical problems, and the planning of reform, and to doing our best to avoid serious mistakes.

We Cannot Deepen the Reform Without Stabilizing the Economy [subhead]

Liu Guoguang holds that in deepening the reform we must base ourselves on reality and make a correct analysis and judgment of the situation. Only thus can we avoid being too idealistic in our way of thinking.

We reporters and the veteran specialist jointly studied and discussed the achievements made in reform over the past 9 years. In short, in the rural areas we have broken with the system of "everyone eating from the same big pot" and established a rural commodity economy system of an elementary form. In the state-run enterprises in cities we have formed a setup of "separating ownership from the right of management" with contracted management as the main pattern. This has somewhat revitalized the enterprises. In the market development field we have formed a preliminary product market and experimented with establishing production element markets in some areas. In the macroeconomic management field, we have gradually changed the administrative system of unified distribution of funds and materials with mandatory plans as the basis, and have developed market coordination. At present, from the top policy decisionmakers of the CPC Central Committee and State Council to the ordinary peasants and urban residents, everyone has warm enthusiasm and strong confidence in the reform and have put forward their ideas on the problem, thus providing relatively subjective and objective conditions for deepening the reform.

But the good is accompanied by the bad. The main worry is the presence of some unstable factors in economic life. The unstable factors are as follows: Agricultural production is unstable with inadequate reserve strength for developing grain production; the increase rate of industrial production is too high and the problem of irrational product mix is serious; our economic results are still poor and the percentage of units suffering losses is increasing; the gap between social purchasing power and the amounts of commodity supplies is continuously widening; and the prices of various goods, especially food, have increased too quickly. In view of this it is absolutely correct for the central leadership to once again

put forward the guiding principle of stabilizing the economy. Only by stabilizing the economy can we provide a relatively comfortable environment for deepening the reform.

Liu Guoguang used a vivid metaphor, saying that the road of reform will never be as smooth and straight as Changan Avenue in front of Tiananmen Square, and will inevitably be a tortuous one with various obstacles. From 1988, we must "work along both lines," namely instituting contracted management to improve economic results and increase supply, and adopting macroeconomic policy to control demand, curb inflation, and prevent the economy from becoming a "flying trapeze" which can never land. By adopting such practical and effective measures we can achieve the purpose of stabilizing the economy, open up a road, and lay down a foundation for deepening the reform.

In the First 3 Years, We Must Put Prudence First and Take Cautious Steps [subhead]

On the tentative plan for reform in the next 8 years Liu Guoguang held that chiefly we must stabilize the economy and take relatively small steps in reform for the first 3 years, and then we may take bigger steps in reform in the ensuing 5 years.

He particularly stressed that to stabilize the economy the reform should be pushed forward in a selective way from 1988 to 1990. In his view there are three chief principles for selecting reform measures: 1) They should cost little or no money; 2) They should not aggravate market strains and inflate demand; and 3) They should help in attaining better economic results and improve the structure.

We asked Comrade Guoguang to give his view on the current debate among theoretical and practical workers on major reform lines. He readily agreed and spoke with fervor and assurance:

—Being worried about the problems caused by the price "double-track system," some comrades favor the idea of enduring short-term "labor pains" and rapidly creating the "single-track system" with market price as the main content. This state of mind is understandable. However, given the conspicuous contradiction between supply and demand and the lack of a strict system to control currency supply, there will probably be too great a risk if we lift all restrictions on prices. If we can spend 2 to 3 years stabilizing the economy and laying a good foundation, and then spend a few more years solving the problems of price reform step by step, this will probably be better. In appearance this may seem a little too slow but in fact it is fast.

—Some comrades hold that the key to the success or failure of the economic reform as a whole does not lie in reform of the economic operational mechanism centering on the price reform, but in the reform of the

enterprise mechanism centering on ownership reform. In truth, this issue has been answered in the decision by the 3d Plenary Session of the 12th CPC Central Committee on economic structural reform: Enterprise reform is the key to economic reform and price reform is crucial to the reform as a whole. At present we stress reform of the enterprise operational mechanism. This is not because the theoretical direction has changed but because the objective conditions of macroeconomic imbalance have forced us to do so. Naturally, this is also a step that must be taken before we can provide a suitable microeconomic foundation for utilizing indirect macroeconomic control and regulation.

—On the direction of enterprise reform, many comrades hold that large- and medium-sized state enterprises should practice a joint-stock system in the main. As a long-term objective pattern this is not without reason. However, during the 3-year stability period, and given the slowing down of the price reform, we cannot initiate major actions. In these 3 years we can only do something about transforming the power of operation and instituting diversified forms of the contracted management responsibility system on the condition that the interests of the state as an owner should not be sacrificed. Under the present conditions this is a relatively realistic choice which may yield certain economic returns while strengthening the power of operations. While deepening and improving the contract system we should prepare conditions for a gradual transition in the future to numerous forms of the joint-stock system.

"In such a case, which reform measures should be speedily worked out in the next 3 years?" Confidently, Liu Guoguang replied: "We can pay close attention to adopting various reform measures, such as reform of: The land management and usage system in rural areas; township and town enterprises; state-owned medium-size and small enterprises in the cities with leasing and contracted management as a principal form; large and medium-size enterprises by instituting the contracted management responsibility system; and reform of the price subsidy system which has something to do with solving the food problem. To stabilize the economy we should quicken the pace of transforming the macroeconomic control and regulatory mechanisms including, among other things, breaking down and transforming government functions, streamlining institutions, strengthening the independent status and functions of the central bank, operating specialized banks as enterprises, and reforming the investment pattern, the goods and material pattern, and the foreign trade structure. This is what is meant by 'advancing amid stable development'."

The Ensuing 5 Years: A Whole Range of Mutually Coordinating Reforms Will Be Introduced, and All Work Will Be Fully Shifted Onto a New Track [subhead]

To elaborate on this viewpoint Liu Guoguang went on to say: The stabilized economic foundation laid down in the preceding 3 years will help to create a relatively

relaxed economic structure and to deepen the reform in some fields. Thus we will be able to make bigger strides in the reform in the latter 5 years of the next 8 years. During the Eighth 5-Year Plan we can launch some operations on a larger scale in reform of the market operational mechanism centering around price reform, the reform of the ownership relations centering around the joint-stock system for large- and medium-sized state-owned enterprises, the third phase of the rural reform centering around the structural reform, and so on.

Based on his insight as an economist Liu Guoguang pointed out: The reform to be carried out in the latter 5 years, with a substantial content, will be in a crucial period when China's economic structure will fully shift onto a new track. He made a careful and detailed prediction of the following major phases of the reform:

1. With regard to the rural reform more effort will be made to promote a relatively high degree of centralized management of farmland; encourage the peasants to establish cooperative farms, joint-stock farms, and family-run farms; develop the main market of the higher-level rural commodity economy; carry out a transformation of the rural employment and production structures on a large scale; reform the circulation structure in the rural areas; and to make a two-step readjustment of the prices of such major agricultural and sideline products as grain and cotton.

2. With regard to enterprise reform, the joint-stock system will gradually replace the contracted management system as the main one adopted by state-owned enterprises. The enterprise's internal organizational form and its internal and external relations will be transformed in accordance with the principles, laws, and regulations relating to the joint-stock system. These operations can first be launched among large- and medium-sized non-monopoly enterprises, with the focus placed on medium-sized enterprises, and then among large-sized monopoly enterprises.

3. With regard to the price reform, we are to concentrate our attention on reform of the "double-track system." This reform can be carried out in two steps. In the first 2 years the restrictions on the prices of capital goods with stronger competitive power and which are in ample supply can be lifted; and in the ensuing 3 years the restrictions on the prices of other major capital goods will be lifted so that 80 percent of capital goods will finally have their prices regulated by the market.

4. With regard to macroeconomic regulation and control, the reform will be further carried out in depth to separate the three powers (namely, administration, ownership, and management), and the transformation of the government's functions will be basically completed and fixed in the form of law and system. The reform of the finance and taxation system and the banking system will be further carried out in depth. While the central bank's

independent and effective control over the macroeconomic scale will be brought into full play, the switch from direct to indirect macrocontrol as the major operational form will be basically completed.

Before the 2-hour interview was rounded off, we took the opportunity to thank Comrade Liu Guoguang for his exposition on the tentative overall plan of the reform and on his valuable views. We finally asked him to say a few words on the general prospects for the reform in China. With full confidence the veteran specialist said: "So long as we advance steadily, build a new legal system in support of our cause, and create a fine ideological and social environment favorable to economic structural reform, it will be completely possible for us to remove the obstacles in our way, avoid setbacks, and finally reach the set goal of the reform."

Article Criticizes Foreign Trade Departments
HK100908 Beijing RENMIN RIBAO in Chinese
4 Mar 88 p 2

[Article by RENMIN RIBAO reporters Jiang Yaping (5592 0068 1627) and Lu Wangda (0712 4986 1129): "Let the Birds Soar to the Skies—Impressions From an Investigation of the Development of the Export-Oriented Economy in the Chang Jiang Delta"]

[Text] A Story of a Wuxi Man and the "Bound System"
[subhead]

A man from Wuxi told us the following story:

A Hong Kong businessman of Wuxi origin obtained a large and profitable order to process undershirts for his hometown. He hurried to Nanjing to contact the provincial foreign trade company. As it was getting dark when he arrived, the receptionist of the provincial company said angrily: Why are you late? Come again tomorrow. On the second day, the Hong Kong businessman was asked to provide quotas. He got the quotas from another province through arduous efforts. However, he met with another rebuff in Nanjing. Although he spent more than a month on this, the business fell through. He left in a fury and swore that he would never come to the mainland to do business again.

We heard stories like this wherever we went.

The question of enterprises that have no power and have to remain passive in dealing with import and export businesses has become an essential one in considering the development of an export-oriented economy. When substantial foreign economic and trade activities are involved, the corporations in Beijing and the branch companies in the provincial capitals always have the final say.

Humor arising from having no way out has profoundly and vividly summarized the predicament of the majority of enterprises having no powers: Like the factories for

the disabled, the enterprises are blind, deaf, and mute. They are blind because they cannot see the international market; they are deaf because they cannot hear the relevant information; and they are mute because they have no right to speak.

People regard the all-embracing unified foreign trade system as a "bound system." In recent years no progress has been made in three forms of import processing and compensation trade because the foreign trade departments that have the powers are not interested in the business, while enterprises that are interested in the business have no powers. The foreign trade departments of some localities usually purchase goods according to the list provided by the corporations. If there are too many items, they try to cut them off with the "knife" in their left hand; and if there are too few items, they drive them away with the "whip" in their right hand. In operations, they "exercise monopolies when there are big profits, abstain from items that turn out little profit, and ignore unprofitable items." Not knowing what course to take, the producers say, "It cannot be too much or too few, too soon or too late," and the conclusion is, of course, "You must not do it."

It is imperative to reform the old foreign trade system that has lasted for 30-odd years.

"One Looking for a Backer" and "One Looking for Spheres of Influence" [subhead]

Viewed from the reform of the foreign trade system as a whole, no substantial progress has been made in the Chang Jiang Delta. The foreign trade departments have rendered great service in substantially increasing foreign exchange through exports in recent years. The rapid development of the joint operations between industry and foreign trade and between agriculture and foreign trade has put an end to the state of foreign trade being separated from enterprises and producers and has linked the interests of the two. Confronted with the packed domestic market and the unpredictable and unattainable international market, enterprises badly need a strong backer. Under the existing system, the backer can only be foreign trade. Under the new situation of contracting by trades and localities, the foreign trade departments are looking for "spheres of influence" and enterprises with actual strength to serve as their partners. As one side is looking for a backer and the other is looking for "spheres of influence," joint operations between industry and foreign trade and between agriculture and foreign trade have developed rapidly on this basis. Although this is somewhat of an improvement compared with the old system of the past, there are also some new problems.

The first problem: The foreign trade departments allocate the limited orders, raw materials, and quotas to their own "spheres of influence" (these enterprises account for only the minority). Consequently, the enterprises with export production capacity have fewer opportunities.

The second problem: As joint operations are carried out under the conditions of large numbers of enterprises with limited sources of goods, can both sides get along on an equal basis?

We visited a certain garment factory in a county in Suzhou. This factory started to manufacture export goods in 1983 and earned \$4 million in foreign exchange in 1987. In 1985 the factory carried out joint operations with a Foreign Trade Department and the provincial company made some investment. According to the contract of the joint operation, the Foreign Trade Department could share one-fifth of the profits (its investment accounted for only one-ninth) and recoup its capital outlay after 10 years (actually, the profits gained in 3 years would be equal to the total amount invested by the Foreign Trade Department). The factory realized that it was losing and requested an amendment of the contract. The Foreign Trade Department promised to return 50 percent of the profits after several rounds of "marathon" meetings but refused to sign the written pledge. When the factory was short of funds in 1988, the provincial company was willing to make some investment. However, the factory declined, preferring to apply for loans with high interest rates.

The contradiction does not merely lie in unequal investment and means of distribution. When foreign clients come to Nanjing to hold trade talks, the company often does not know which orders should be accepted and which should not and has to ask the factory to send a representative to attend the trade talks. For this reason, the factory has two resident sales representatives in Nanjing and two other persons from Nanjing to carry samples to and fro. According to the stipulations, factories and foreign clients are not allowed to send samples and information to each other by mail. Contacts between both sides can be made only through the foreign trade departments.

The factory director told us: "We are also Chinese, why can't we meet foreign clients?"

Although joint operations between industry and the Foreign Trade Department have ensured orders for enterprises, they have also bound the enterprises. Even if they have no work to do, they cannot accept orders from other ports. When the factory did not have enough work to do on one occasion, it got some orders from Shanghai, which is only 3 hours' drive away. The client was satisfied with the arrangement. Just after the work started, however, the company in Nanjing, being informed of the matter, summoned the director by phone and gave him a dressing down.

In November 1987, General Secretary Zhao Ziyang made an inspection tour of the factory and asked about the joint operations between industry and foreign trade. The director spoke about its advantages at great length but never mentioned a single word about other issues. We asked: Why did you hide the facts? He replied with a

forced smile: "I dared not speak the truth. It would have been easy for me to do so, but if the provincial company had been informed of the matter, more than 1,000 workers would have lost their jobs."

Compared with the past, the "bound foreign trade system" has relaxed somewhat and has delegated some powers. However, people in the Chang Jiang Delta say that powers are delegated only in certain aspects. For example, powers are delegated for management concerning new customers, losing enterprises, and onshore projects, but not for old customers, profitmaking enterprises, or offshore projects. As a matter of fact, enterprises are still bound hand and foot.

Even the foreign trade departments believe that it is imperative to reform the old system. However, what should be reformed, how they should be reformed, what powers should be delegated, and how much power should be delegated so that enterprises are well-informed and can react quickly remain unsolved problems.

The Reform of "Opening the Bird Cages" and Worries of Every Description [subhead]

When we were in the Chang Jiang Delta, all the counties and cities were discussing the plan to reform the foreign trade system. It was interesting that the Foreign Trade Department considered the steps of the plan vigorous, while the localities and enterprises believed that the measures could not quench their thirst. For example, the plan stipulated that the counties or cities could have the rights of import and export provided they could earn over \$100 million in foreign exchange. In that case, in the Chang Jiang Delta only Wujiang County, which can earn foreign exchange with the low cost of its large quantities of silk exports, would qualify.

There is a metaphor: The market abroad is a vast ocean and the domestic market is another vast ocean. Now there is a single pipe, the foreign trade organs under the old system, connecting the two oceans. Even if the pipe is unclogged, it cannot meet the need for contact between the two oceans. Actually, the pipe is often clogged.

The conclusion should be: Change the single pipe into various channels, change the rope into a net, and change the state monopoly into operations by diverse sectors.

Will the foreign trade departments, which have carried out operations for years, be treated coldly? No. Once the existing foreign trade companies become economic entities that rely on customers, talented people, and experience accumulated over the years instead of eating from the big pot or depending on administrative powers, they will certainly be able to give full play to their role.

Are enterprises capable of dealing with foreign clients? In fact, some enterprises are quietly making preparations for this. For example, a director of a factory in a county in Suzhou told us that the factory has trained two

interpreters, a person to be in charge of foreign economic work, and two persons to be responsible for customs declarations. As long as they have decisionmaking powers, they will certainly be able to enter the international market, after having an opportunity to become familiar with the business.

Can thousands upon thousands of enterprises have direct contacts with foreign clients? No, certainly not. A method has been proposed to solve this problem. Suzhou has a number of township-level foreign trade companies. They will possibly become important organs under the new system and carry out foreign economic and trade activities on behalf of the relevant localities and enterprises.

The existing foreign trade system can no longer continue. To earn more foreign exchange by lowering the cost, the foreign trade departments have tried by every means to force down the purchase price of export commodities. With the great demand in the domestic market, enterprises prefer selling their products in the domestic market rather than in the international market. Thus, they are not enthusiastic about earning more foreign exchange through exports. The old method of assigning purchase quotas for export commodities to various localities no longer works. According to statistics for Huzhou City, purchases of export commodities by the state increased by only 20 percent in 1986, while purchases by the city increased by 700 percent.

No plan can be completely safe. We can distinguish superior from inferior and select the best only through comparison. Once the localities and enterprises have the decisionmaking powers in handling foreign economic and trade activities, problems of every description may crop up. These problems can be solved easily as long as we work out scientific plans and strengthen management. If we do not let enterprises brave the storm in the international market, they will never gain the experience and talented people necessary for developing an export-oriented economy.

We have lost a lot of time. Now we must promptly open the cages and let the thousands upon thousands of birds (enterprises) soar to the skies of an export-oriented economy.

Official Discusses Foreign Exchange Regulations HK100715 Beijing RENMIN RIBAO in Chinese 5 Mar 88 p 2

[Report: "State Exchange Control Administration Official Interviewed On Regulations Governing Financial Organs Doing Foreign Exchange Dealings For Clients"]

[Text] The responsible person of the State Administration for Foreign Exchange Control answered reporter's questions concerning the promulgation of "Regulations

Governing Financial Organs Doing Spot and Forward Foreign Exchange Dealings for Their Clients" (Hereinafter referred to simply as "regulations"):

Question: Why is it necessary to promulgate such regulations at present?

Answer: China usually uses foreign currencies in carrying out foreign trade and economic activities with foreign countries. Under the floating exchange rate system, foreign currencies often fluctuate because of the imbalance of economic development, international payments, and inflation. Because it takes a long time to accomplish an import or export transaction and the process from borrowing funds in foreign currencies to repaying funds in foreign currencies usually takes a long period of time. During such a period, the Chinese enterprises, which use foreign currencies for settlement in foreign trade and economic activities with foreign countries, are likely to suffer economic losses in the drastic fluctuation of foreign currencies. Over the past 2 years, Chinese enterprises have already experienced difficulties and suffered losses from the devaluation of the U.S. dollar and the revaluation of the Japanese yen and the Deutsche mark. So the Chinese enterprises urgently need the financial institutions to do spot and forward foreign exchange transactions for them so as to reduce the impact of the fluctuation of foreign currencies. For this reason, the State Administration for Exchange Control has now promulgated the "Regulations." The promulgation of the Regulations is a step forward in relaxing exchange controls.

Question: How will the financial organs which will do spot and forward foreign exchange dealings for their clients be able to contribute to the reform of the foreign trade structure and the external economic development of the coastal areas which are open to the outside world?

Answer: This year, our country will accelerate and deepen the reform of the foreign trade structure and extensively implement the contracted management responsibility system in carrying out the foreign trade. In order to accelerate the economic development, the coastal areas of our country will implement the development strategy characterized by the "increased import and increased export" and by the participation in the big international cycle. All the areas of our country will further carry out the economic operations, strengthen economic accounting, and develop foreign trade on the basis of assuming full responsibility for their own profits and losses. However, because the present international economic and financial situation is unstable and the exchange rate of foreign currencies frequently fluctuates, in order to strengthen the economic accounting and assume full responsibility for their own profits and losses, the Chinese enterprises should not only keep a close eye on, analyze, and predict the changes and fluctuations on the international monetary market but also work out measures against losses. Thus, the financial institutions that are entitled to do spot and forward

foreign exchange dealings for their clients will provide the necessary conditions for the enterprises to avoid the possible losses in the fluctuation of foreign currencies and will enable the foreign trade and foreign-trade-oriented enterprises to carry out cost accounting and earn their planned profits. The promulgation of the "Regulations" is beneficial to the reform of the foreign trade structure and the implementation of the economic development strategy in the coastal areas which are open to the outside world.

Question: What type of financial institutions are entitled to do the spot and forward foreign exchange dealings for the clients?

Answer: The financial institutions that are entitled to do spot and forward foreign exchange dealings should be those which have wide relations with foreign banks, good credit, a sound information network, and experienced personnel. The Bank of China is the state foreign exchange bank and a big international bank as well. The Bank of China can do the spot and forward foreign exchange dealings for the clients. Other banks and financial institutions involved in foreign exchange dealings can also do the spot and forward foreign exchange dealings for the clients if they get the permission from the State Administration of Exchange Control.

Question: What should the clients pay attention to in the spot and forward foreign exchange dealings?

Answer: The purpose of the financial institutions doing spot and forward foreign exchange dealings for the clients is to fix the cost of the import and export trade (including the cost of other external economic activities), guarantee the recovery of the cost, promote the development of the import and export trade, and prevent the clients from speculating in the fluctuation of foreign currencies. Therefore, the clients that need the financial institutions to do spot and forward foreign exchange dealings for them should present the relevant trade contracts or other types of economic agreements signed between the clients and foreign countries to the financial institutions. The financial institutions will not do spot and forward foreign exchange dealings for clients that fail to present such trade contracts and economic agreements.

Joint Ventures Set Up in Other Countries
HK100327 Beijing ZHONGGUO XINWEN SHE
in Chinese 1231 GMT 1 Mar 88

[Text] Beijing, 1 Mar (ZHONGGUO XINWEN SHE)—China has set up 385 joint venture enterprises abroad. Not all these joint venture enterprises are not trading enterprises.

Setting up joint venture enterprises abroad has become an effective form used by China in her efforts to make comprehensive use of foreign funds. JINGJI RIBAO published a short commentary today, stressing the great

importance of setting up joint venture enterprises abroad to the development of China's export-oriented economy and China's participation in the great international circle.

China is presently accelerating its pace of setting up joint venture enterprises abroad. In 1987, China set up a total of 124 joint venture enterprises abroad.

China has also substantially and gradually increased the investment in the joint venture enterprises she has set up abroad. Between 1979 and 1987, the total amount of investment in the Sino-foreign joint venture enterprises approved reached some \$1.78 billion. China herself invested a total of \$0.62 billion in the joint venture enterprises she has set up abroad during that period.

Now, China has set up joint venture enterprises in 67 countries and regions in the world. The East European countries, the Soviet Union, and some countries which have not yet established diplomatic relations with China have also begun talks with China on the question of establishing joint venture enterprises in their countries. China's overseas joint venture enterprises are now mainly spread in the developing countries.

According to an analysis, China's overseas joint venture enterprises are mainly the enterprises which are engaged in the industrial production and energy development, such as the aluminum-smelting production, rubber production, textile production, printing and dyeing production, ocean fishing, coal mining, gold mining, and some other types of productions.

Over the past few years, some big industrial and mining enterprises and foreign trade companies in China have tended to cast their orientation to the overseas market and have begun to look for the best production, marketing, and raw material supplying bases on a global scale, some medium-sized and small enterprises in China have also begun to set up joint venture enterprises abroad.

Trust, Investment Firm Opens in Beijing
*OW100009 Beijing XINHUA in English 1611 GMT
9 Mar 88*

[Text] Beijing, March 9 (XINHUA)—China's first trust and investment company opened here today.

Beijing Trust and Investment Company in assets, established under licence of the Bank of China, is geared to speed up renovation and commercialization of housing in the Chinese capital. Its investors are five banks and insurance firms.

The company will offer a package of services including short-term loans, leases of construction facilities, credit guarantees, building consultation, and the issue of stock.

Since it started trial operations last May, the company has aided a dozen firms in Beijing.

The company has received deposits of 36 million yuan (about 9.27 million U.S. dollars) for buying houses and has loaned 61 million yuan (about 16.43 million U.S. dollars) for building and renovating projects, an official said.

It has also invested to build 16,000 square meters of commercial houses, he added.

Shareholding Bank Becomes Nationwide Bank
*HK100444 Beijing CHINA DAILY in English
10 Mar 88 p 2*

[By staff reporter Xie Songxin]

[Text] Shanghai—China's first share-holding bank, reorganized a year ago, is to become a nationwide commercial bank, breaking the State monopoly.

This year the Shanghai-based Bank of Communications will set up at least two branches and 15 sub-branches around the country, mostly in Northwest and North China, according to an ambitious plan unveiled recently.

"Our strategy is to have business offices scattered throughout the major economic areas of the country and to become a real commercial bank by strengthening our self-control mechanism," said Li Xiangrui, president of the bank.

It is also trying to become one of the world's influential banks by pioneering China's present banking reforms. In addition the bank plans to set up some joint accounting companies around [as published] with foreign counterparts.

So far, the bank has eight branches operating in Shanghai and Jiangsu, Liaoning, Sichuan, Hubei, Guangdong and Shandong provinces. Another eight sub-branches are in business in Jiangsu and Zhejiang provinces.

It has also established correspondent banking with more than 120 foreign banks.

The banks' total assets were 40 billion yuan (\$10.7 billion), including those of the Hong Kong branch, at the end of last year, Li said.

"This year's business on the mainland is expected to double last year's, as we have laid a solid foundation for further development this past year."

The People's Bank of China, the country's central bank, has agreed to grant more autonomy and more flexible policies.

Responsibility for its profits and losses and money supply since the central bank ended its control of funds has given the bank a good basis for competition against other specialized banks.

The 80-year-old Bank of Communications, a multi-function organization, is authorized to move into the business fields of other banks, such as foreign exchange, stocks and bonds, trusts, real estate and insurance.

The competition began when the bank was approved as the only organization in Shanghai, apart from the People's Insurance Company of China, to handle foreign-related insurance.

Last year, deposits of the Shanghai Branch of the Communications Bank exceeded those of the Shanghai Branch of the Bank of China.

"The bank, which is the product of China's banking reforms, will have greater development and brighter prospects as the reforms expand," Li said.

But he also admitted existing difficulties, such as forces of habit and contradictions between the old and new systems, which may hinder the growth of the bank.

"These problems are inevitable because the deepening reform means a readjustment of vested interests," Li said.

Article on State Enterprises, Property Rights
HK100701 Beijing RENMIN RIBAO in Chinese
5 March 88 p 5

[Article by Zhuang Chaozun (1728 2600 1415): "My View of the Relations of Property Rights of State-Owned Enterprises"]

[Text] With the deepening of the enterprise contract operation responsibility and the separation of the right of operation and the right of ownership, the question how to smooth out the relations of property rights involving state enterprises has become a matter of increasing concern to people. I myself favor the view that enterprises should have the right of economic ownership. Here are a few views that I venture to give.

According to Marxist economic theory, given the separation of the right of operation and the right of ownership, to become a producer or operator with independent economic accounting, an enterprise must have the right of economic ownership, otherwise, it cannot effectively handle matters of production and operation. Nor can it manage to handle the economic relations or relations of interests arising between enterprises (because the relations of the right of ownership represent the foundation for economic relations or relations of interests) or carry out independent economic accounting. That is to say, an enterprise's economic right of ownership is a basis for its right of independent operation. If it has no right of economic ownership, an enterprise's right of independent operation is only empty talk.

Then, what is an enterprise's right of economic ownership? Touching on the separation of the right of ownership of capital and capital representing functions, Marx pointed out: Such a separation "arises from the separation of the right of legal ownership of capital and the right of its economic ownership." ("Collected Works of Marx and Engels," Vol 26, III, p 511) On relations between the operator of capital (the capitalist who carries out functions) and the owner of capital, he also pointed out: "They are actually partners. One is the legal owner of capital. The other is the economic owner of capital when he makes use of capital." ("Collected Works of Marx and Engels," Vol 26, III, p 565) Here the right of economic ownership is a relative term in the context of the right of legal ownership, with the same capital finding expression in different forms where ownership is concerned. The former is capital participating in the actual process of production and realizing its form of ownership in the process of production. The latter is capital realizing its form of ownership outside the process of production, where legal relations are concerned. The same capital benefits not only its economic owner but also its legal owner. As far as its legal owner is concerned, the right of permanent ownership of capital is maintained. This is because the right of economic ownership is a matter of the operator of capital being the economic owner "only when he is using capital." In the absence of such a condition, he is no longer the economic owner and forfeits the right of economic ownership. In my opinion, the application of such a Marxist principle as a norm for the relations between the state and enterprises where property owed by all the people is concerned is compatible with the actual conditions of the right of ownership and the right of operation being separated, as required by our economic reform. If such a principle is taken as a basis for the formulation of the "Enterprise Law," it will not only ensure the integrity of property owned by all the people but also assure an enterprise of its full right of independent operation, making it a socialist commodity producer and operator with really independent economic accounting.

It may be further made clear that the principle of the right of legal ownership and the right of economic ownership as expounded by Marx is fundamentally different from another principle in his economic theory, and they can never be lumped together. This principle means that the system of ownership has two sides. One is legal ownership. The other is economic ownership. The former refers to the relations of property rights in legal terms. The latter means the sum of the relations of production in the objective economic process. The former is a legal expression of the latter. The latter is the economic content of the former. If these two principles are lumped together, we cannot correctly show the essence of the relations of ownership between the state and enterprises after the separation of the right of ownership and right of operation.

In discussions on the reform of the pattern of ownership of enterprises by all the people, some comrades have suggested that the accumulation in an enterprise should

belong to it, with ownership at two levels—the state and the enterprise—introduced in the system of ownership by all the people, or with the double-track system for enterprise funds (the state investment belongs to the state and the enterprise accumulation belongs to the enterprise) introduced. According to this opinion, only with an enterprise owning what it accumulates and the establishment of a system of partial ownership by an enterprise can an enterprise's enthusiasm for production and operation be aroused. And only in this way can it have the capacity for self-transformation and self-development. In my opinion, this view is worthy of study.

One of the reasons is that as far as an enterprise's production and operation efforts are concerned, what is important is economic ownership, not legal ownership. The same is also true of enterprise accumulations. An enterprise's possession of the right of economic ownership is enough, as far as matters of enterprise production and operation are concerned. The possession of the right of legal ownership is not necessary. Legally speaking, an enterprise itself belongs to the state. Thus, its accumulation should also naturally belong to the state where the right of legal ownership is concerned. It can be seen that if the Marxist principle on the right of legal ownership and the right of economic ownership is used as a norm for property owned by all the people in regard to the relations between the state and enterprises, it is entirely necessary to establish the system of partial ownership by an enterprise.

Second, the idea of partial enterprise ownership is not quite in line with the demands of the development of a modern commodity economy. The commodity economy has a history of several thousand years. From its first appearance, there have been different stages of development involving the small commodity economy, the capitalist commodity economy and the socialist commodity economy. This is talking in terms of the nature of the commodity economy. As far as its scale of operation, its scope, and its pattern are concerned, there is also the stage of development from the low to the high level (the modern commodity economy). Given a modern commodity economy, whether an enterprise can develop does not mainly depend on the amount of its capital. Instead, it depends on how much social money it can use. For example, it can resort to bank loans, commercial credit, the issuance of bonds, stocks, and so forth. Therefore, an enterprise with a capital of up to 1 million yuan can undertake production and operation activities involving up to 10 million yuan, or 100 million yuan, or even on a still larger scale. This is to say, given a modern commodity economy, anyone who can use more social funds has a greater capacity for self-development. The reform of the pattern of ownership of enterprises by all the people should of course pave the way for the development of a modern commodity economy. In the development of a modern commodity economy, what needs to be expanded for an enterprise is the right of economic ownership (the use of social funds means the expansion

of the right of economic ownership). The establishment of a system of partial enterprise ownership is not necessarily indispensable.

In conclusion, I think that for property owned by all the people, it should be clearly stipulated that the state should enjoy the right of legal ownership and that an enterprise should enjoy the right of economic ownership. Only in this way can we better smooth out the relations of ownership between the state and an enterprise to guarantee the integrity of the system of ownership by all the people and the position of an enterprise as a commodity producer, or an operator with independent economic accounting.

College Enrollment Cutbacks Expected
HK100438 Beijing CHINA DAILY in English
10 Mar 88 p 1

[By staff reporter Li Xing]

[Text] The growth of higher education in the next three years will be controlled by cutting the increase in annual college enrollment, China Daily learned from the current national conference on college admissions which opened yesterday in Beijing.

Between this year and 1990, college enrollment will increase at between 2 and 5 percent, much lower than the figure of 17 percent during the period of the Sixth Five-Year Plan (1981-85).

The original Seventh Five-Year Plan (1986-90), which said that colleges and universities should enrol a total of 750,000 undergraduates and junior college students in 1990, has been tentatively amended so that the number will drop to 680,000.

The shortage will be made up by the expansion of junior college programmes offered by the Television University and correspondence schools run by higher educational institutions.

This year, colleges and universities will enrol 640,000 undergraduates and junior college students, an increase of about 4 percent over last year. About 675,000 out of the 2.48 million senior high school graduates this year—27 out of 100—will be able to enter college or junior college programmes through the TV university or correspondence schools.

Meanwhile, the yearly enrollment of advanced degree candidates will be maintained at 45,000 for the next three years, while the original Seventh Five-Year Plan stipulated that the number would reach 55,000.

The amendment will be subject to approval by the forthcoming National People's Congress.

This readjustment is aimed at helping to improve teaching quality and school facilities. It is indirect response to the rapid expansion in higher education between 1978 and 1985, when the number of colleges and universities nearly doubled, from 598 to 1,054. In 1985 alone, college enrollment reached 619,000, about 2.2 times more than in 1980.

Although this development has helped meet the demand for more professionals, it has also caused problems because it did not take into account social needs and the country's future economic and financial condition. Many schools are overcrowded and can barely cope with a greater student body, being unable to improve school conditions.

If the expansion is allowed to continue, current State financial support and investment will not be able to help improve school conditions, which in turn will seriously affect the development of higher education over the next decade, said Liu Zhongde, Vice-Minister of the State Education Commission.

Since 1985, the government has urged higher educational facilities to make better use of their current potential instead of building more schools.

Commission To 'Replenish' Education Institutes
*OW100624 Beijing XINHUA Domestic Service
in Chinese 1211 GMT 9 Mar 88*

[By reporter Zhao Wei]

[Excerpt] Beijing, 9 Mar (XINHUA) — Our country will continue macrocontrol over the scale and speed of growth in tertiary education during the last 3 years of the Seventh 5-Year Plan and will make appropriate adjustments in the scale of enrollment originally decided upon in the Seventh 5-Year Plan.

This reporter has learned from the work conference of the 1988 national recruitment plan for institutes of higher learning, which opened in Beijing today, that the State Education Commission has decided to use the remaining 3 years of the Seventh 5-Year Plan to replenish, strengthen, and adjust within a specified period some of the higher learning institutes whose teaching conditions are poor and whose quality of education cannot be assured. Beginning this year, some of the institutes of higher learning which lack or do not meet the prerequisites will be required to control or reduce their enrollment. [passage omitted]

Outline Drafted for Scientific Program
*OW091335 Beijing XINHUA in English 1154 GMT
9 Mar 88*

[Text] Beijing, March 9 (XINHUA)—China is drafting a medium- and long-term program for scientific and technological development, an official from the State Science and Technology Commission said here today.

So far, the outline of the program has been drawn up. It will systematically expound the strategy of China's scientific and technological development, and major tasks for scientific work in the next few decades.

The program will guide the use of modern science and technology to upgrade the country's traditional industries, develop new industries and accelerate agricultural production.

The official said the program will become a foundation for government departments and regions in working out their plans and a guideline for scientific legislation.

State Council Issues Housing Reform Plan
*OW091409 Beijing XINHUA in English 1208 GMT
9 Mar 88*

[Text] Beijing, March 9 (XINHUA)—The State Council, China's highest governing body, has decided to spend three to five years carrying out housing reform across the country starting this year.

According to a plan issued by the Housing Reform Committee of the State Council, this is an important part of the ongoing economic reform and will have great significance economically and politically.

The state has invested a great deal in housing construction over the past three decades and more, but urban housing problems are becoming more acute and the maldistribution of housing has become a severe social problem.

The housing reform experiments tried out in a number of cities over the past couple of years have proved successful and paved the way for nationwide housing reform.

According to the plan approved by the State Council, the objective of the housing reform is to replace the conventional way of building apartments by the state and distributing them through work units with the sale of apartments in line with the demands of the socialist planned commodity economy.

The housing reform will begin with the renting system and gradually turn the distribution of materials in kind into cash distribution. Through commodity exchange, people will have housing ownership or the right to use housing, thus enabling apartments to be sold on the market and boosting the development of the real estate, construction and building materials industries.

To accomplish this objective, the housing reform will comprise the following:

—changing the fund distribution system from state subsidies for housing construction and maintenance to state subsidies for wage earners;

—replacing the present planning and management system that takes housing as fixed capital investment with a system that regards it as commodity production;

—forming a housing fund on the basis of streamlining various funding channels;

—opening a real estate market and developing real estate financing.

The task of housing reform in the coming three to five years will cover tasks such as rearranging the rental system for public apartments, alleviating the demand for housing and encouraging urban residents to buy apartments.

The state will adopt policies and laws, and launch public education drives as to the new housing policies.

According to the initial arrangements, every province, municipality and autonomous region will select several cities or counties to pilot the housing reform to get direct experience for other cities which will begin to carry out housing reform next year. By 1990, all cities, except for border, remote and economically-backward cities and counties, are expected to be carrying out housing reform.

Moreover, the state calls on localities and government departments to suit their reform measures to their own local conditions.

More Rural Farmers Shifting to Industries
*OW100038 Beijing XINHUA in English 0637 GMT
9 Mar 88*

[Text] Beijing, March 9 (XINHUA)—More Chinese farmers are leaving their farmland to blaze new trails in other industries, according to an article in the weekly magazine OUTLOOK.

In the last nine years, about 70 million farmers have turned to manufacturing, commerce and other non-agricultural businesses. The move of rural labour has injected new life into the rural economy, where immobility had long been the trademark, the magazine said.

The change began in 1979, when the production responsibility system was introduced. It greatly raised agricultural efficiency and freed a large number of farmers from the land.

There were about 100 million surplus labourers at the beginning of rural reform. To open up more opportunities for farmers to turn to other trades, the state adopted more flexible policies in other fields.

Capable and skilled farmers have gone to township enterprises, transport, construction and animal farming, fishery, forestry and sidelines such as wickerwork and food processing. Some of them are making use of waste land, deserted mountains and waters to develop production, but they remain in the countryside.

A large number of farmers migrate to other provinces and autonomous regions, the magazine said. Farmers from economically advanced areas, mainly from east and southeast China, go to work in backward places in spring, summer and autumn and come home for winter.

Some other farmers have gone to the cities to run small business and services that city people need but don't want to do themselves.

The large-scale shift of rural labourers from farming to other industries has had a big influence on the economy. It has enlivened the market and raised the standard of living for most farmers.

Having fewer people engaged in farming has not weakened agricultural production, instead, in some areas, it has meant more mechanization. After many farmers left their village in southern Jiangsu, the few who remained contracted 33 hectares of land and the level of mechanization rose rapidly.

According to the magazine, by the end of the century, there will be 150 million more surplus rural labourers, or about 10 million extra each year. To channel this labour force, the Chinese Government is working on projects to provide better education to turn more rural physical labourers into skilled workers and organize labour markets to direct workers between the countryside and cities.

The state will also support the development of rural enterprises and help small rural towns become political, economic and cultural centers in the countryside.

An article in "ECONOMIC INFORMATION" suggested that to guide the flow of surplus rural labourers, long-range plans should be made to exploit idle land, water and mineral deposits. Farmers from developed regions should be encouraged to go to backward areas to be grain farmers, as grain production is still too low in these places.

Central-South Region

Role of Shenzhen in Future Reviewed

HK090925 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No. 8-9, 29 Feb 88 pp 36-37

[Article by Jiang Shunzhang (3068 7311 4545) and Du Yuejin (2629 6460 6651): "Opportunities and Challenges Facing Shenzhen"]

[Text] The Shenzhen Special Economic Zone [SEZ] is ushering in its ninth spring. People who are looking at China through this "window" are very interested in the answers to the following questions: What role will Shenzhen play in China's opening up to the world? How will it sail ahead amid world economic storms? How will it continue to knit its own net? Is Shenzhen facing a number of new problems?

The Emergence of the "Overnight City" [subhead]

China's architect of reform, Deng Xiaoping, conducted an inspection tour in Shenzhen in early 1984. He pointed out at that time that the Shenzhen SEZ should become China's "window of technology, knowledge, management, and foreign policy." Zhao Ziyang also expressed the hope that Shenzhen should fully display its radiating role both internally and externally.

A review of the course Shenzhen has taken indicates that it has been advancing in a fixed direction in spite of twists and turns.

By the end of 1987, Shenzhen had already signed some 5,400 economic and technological cooperation agreements with foreign businessmen; the foreign investment agreed on amounted to over \$4 billion and that actually utilized was \$1.7 billion, ranking first in the country. There were some 1,200 Sino-foreign cooperative enterprises, joint ventures, and foreign-capitalized enterprises, of which 400 were industrial enterprises; and 24 foreign banks had set up their branches or offices in Shenzhen. In addition, all types of enterprises run by people from other parts of the country numbered some 2,500, of which about 300 were industrial enterprises.

Introducing advanced foreign technology and carrying out cooperation with units in the hinterland have promoted the vigorous development of Shenzhen's economy. Its gross industrial output value rose from 60 million yuan in 1979 to 57.6 billion yuan in 1987, a 9,500 percent increase; its export trade increased from \$9.3 million in 1979 to almost \$1.3 billion in 1987, a 13,700 percent increase.

Some Western observers said in admiration that these were "miracles" and called Shenzhen an "overnight city."

The Effects of a "Window" [subhead]

The significance of the Shenzhen SEZ, however, does not lie merely in the above figures. Its significance lies in opening the "first window" to the world, in actively displaying the country's basic policy of opening up to the world, in enabling the world to understand China and vice versa, and in blazing an important trail.

According to statistics, from 1982 to 1986, 2,100 groups of people from 160 countries and regions in the world came to inspect Shenzhen, of which 70 were delegations composed of people at the assistant manager level and above. A Hungarian delegation remarked on departure from Shenzhen: "The Shenzhen SEZ is a miracle in China as well as in the rest of the world. From here we can see China's prospects and the prospects for socialist countries."

Through this "window," many enterprises in the hinterland have absorbed advanced foreign technology and managerial experience. The Jiannan machine building factory, an enterprise in a hinterland mountainous region, got into a predicament because of a drop in its customers' orders. The factory ran a small company in the Shekou industrial area of Shenzhen in 1983 and regarded it as a "foundation stone" for "finding the way." After accumulating certain information and experience, the factory and two other enterprises pooled their capital with a Hong Kong company and cooperated in setting up a technology development company in Shekou. Last year, the magnetic heads produced by the company for computers ranked first among the same products produced by four other big companies in the world. Subsequently, the Jiannan machine building factory signed joint-venture contracts with two other foreign factories and conducted business negotiations with new customers. There are many such examples in the Shenzhen SEZ. An economist joyfully pointed out that Shenzhen is turning out modern enterprises and nurturing a new generation of entrepreneurs and workers with modern knowledge.

Opportunities and Challenges [subhead]

Before Shenzhen has enough time to catch its breath from these achievements, it is facing more new opportunities and challenges.

Last year, the State Council proposed the establishment of Hainan Province and the implementation of a more special and flexible open policy on the island. Subsequently, China decided to take the three provinces of Guangdong, Fujian, and Jiangsu as "comprehensive reform experimental regions" and allow them to go ahead of others in reforms and implement some of the special policies exercised by the SEZs. In the meantime, Guangdong Province decided to expand the open area in the Zhujiang Delta from a "small triangular area" into a "large triangular area." Fujian Province also decided to expand its open area from the southern Fujian Delta along the entire coast line. General Secretary Zhao Ziyang recently proposed an economic development

strategy for the coastal regions demanding that major efforts be made to develop an export-oriented economy and that the coastal regions with a population of 200 million should be pushed toward the international market. These regions have become new partners in competition for Shenzhen, which has risen by means of reforms and opening to the world.

Viewed from the international environment, the Western world has registered a slow economic growth and witnessed a prolonged economic depression; the world money market is unstable and the dark shadows resulting from the price slashes in the Western stock market have not disappeared. All this cannot but pose a latent threat to Shenzhen, which is more and more closely connected with the world economy.

On the other hand, the severe cuts in the world stock market have given rise to negative factors. International investors have begun to shift their investments from the stock market to the less risky manufacturing industry and to developing nations. This provides a good opportunity for Shenzhen to attract foreign capital.

Moreover, labor-intensive industries are shifting from developed regions to underdeveloped regions. This also serves as a favorable condition for Shenzhen to develop an export-oriented economy.

Today Shenzhen is facing a situation characterized by a rare opportunity on the one hand and a latent threat and competitive pressure from abroad and the rest of the country on the other.

"Playing Ball Games According to International Rules" [subhead]

It is true that Shenzhen has a position and conditions far superior to those in other parts of the country. But, it is also facing unfavorable factors and problems. These find expression in the low management of enterprises, in the shortage of talent, in the inadequate opening of its market, in the imperfection of its basic facilities, and in work efficiency falling behind the required standard. In particular, the SEZ has not arrived at unanimity of understanding on how to handle its "special" relationships with the higher authorities and departments. As a result, Shenzhen finds it difficult to go ahead more freely. As some discerning people pointed out, if these problems are not properly handled, Shenzhen may miss a rare opportunity and lag behind in competition.

Shenzhen experts and government leaders have a sober understanding of the present situation the city is facing and are taking measures to handle it.

Reports say that Shenzhen will take the following main measures:

—It will speed up the reform of state-owned enterprises and put them into the orbit of market regulation;

—The stock exchange company set up not long ago will formally hold sales of stocks issued by the Shenzhen development bank. Preparations are being made for the sales of other companies' stocks;

—It will open its market wider and allow foreign businessmen to pool capital with state-owned enterprises. It will cooperate in running a capital goods market;

—It will open capital goods markets in the Chegongmiao and Liantang industrial areas. It will allow foreign businessmen to participate in opening these markets;

Finally, as Shenzhen Mayor Li Hao said in a speech not long ago, Shenzhen will take the lead in creating an environment for investments in which "ball games can be played according to international rules."

Hubei Draws Up Plan To Boost Cotton Output *OW091035 Beijing XINHUA in English 0804 GMT 9 Mar 88*

[Text] Wuhan, March 9 (XINHUA)—Hubei Province, one of central China's major cotton producers, just worked out a plan to raise this year's cotton output to 500,000 tons.

The local government has decided the area designated for growing cotton in 1988 will be no less than 466,000 hectares and this area can not be used to grow other cash crops.

Plastic film is to be used on 273,000 hectares of cotton fields this year. The areas marked for growing high-yield and fine quality cotton will be upped from last year's 324,000 hectares to 366,600 hectares.

Each farmer who raises cotton can get 70 kilograms of chemical fertilizer at reduced prices, working fund subsidies, and bonuses for every 50 kilograms of cotton sold to the state.

To ensure cotton growers adequate supplies of food grain, the province will provide at least 300,000 tons of grain this year.

Southwest Region

Tibet Concludes Prefectural Leaders' Meeting *HK100227 Lhasa Tibet Regional Service in Mandarin 1130 GMT 9 Mar 88*

[Text] The 3-day regional meeting of prefectural commissioners and city mayors concluded on the morning of 9 March. Doje Cering, Mao Rubai, Puqung, and Gyibug Puncog Cedain, leading comrades of the regional government, attended the meeting. Regional Party Committee Secretary Wu Jinghua and Deputy Secretary Raidi met the participants.

The main agenda of the meeting consisted of relaying and studying the spirit of the national conference of provincial governors and the series of instructions on economic work delivered by leading central comrades since the 13th National Party Congress. The participants freely aired their views and seriously discussed the question of how to improve the region's economy and implement the measures properly.

The participants held that economic construction is the core task in Tibet; and economic construction requires a political situation of stability and unity. The meeting pointed out that regarding economic construction as the core means regarding the development of the productive forces as the core. We should further eliminate leftist influence not only in nationality, united front, and religious work, but also in economic work.

The notorious weakness of economic development in Tibet is lack of internal vitality. Internal vitality can only be strengthened through reforms that change the closed-style and supply-style economy into open-style and operational-style economy. We must do everything in line with the reforms. Reform is the common cause of all the people. Every worker and member of the masses faces a problem of emancipating the mind and updating concepts. However, still more important is the effort of the leaders at all levels to emancipate their minds, update concepts, and enhance reform consciousness.

Yunnan Attaches Importance to Minority Education
*OW091253 Beijing XINHUA in English 1231 GMT
9 Mar 88*

[Text] Kunming, March 9 (XINHUA)—Southwest China's Yunnan Province will allocate an additional 25 million yuan over the next three years for the development of minority people's education.

This was announced by Governor He Zhiqiang at the recently held third working conference for minority people's education in the province.

With a large ethnic population, Yunnan Province has paid a great deal of attention to minority education programs over the past few years.

The amount of funds allocated for education in 1986 reached 670 million yuan, four times the 1978 figure.

During the conference, some measures had been taken to promote the minority people's education.

In the coming three years, the province will put an increased emphasis on the development of minority normal schools, and the addition of high schools in its poorer counties. In addition, the provincial government will provide financial aid for minority students.

One million yuan of the provincial allocation will also be set aside in a special fund out of which scholarships will be provided to promising minority students.

The remaining funds are scheduled to be spent on improving teaching facilities and equipment for minority schools, and on setting up professional schools.

North Region

Leaders Attend Beijing Tree Planting Gathering
*OW091602 Beijing XINHUA in English 1430 GMT
9 Mar 88*

[Text] Beijing, March 9 (XINHUA)—Beijing's afforestation program last year resulted in 10.86 million trees being planted, an average of slightly more than one tree for every citizen, a civic gathering was told here today.

Vice-Mayor Huang Chao said the trees were planted in scenic spots throughout the capital including the Badaling section of the Great Wall and Ming tombs and covered more than 2,000 hectares. Ninety percent of the trees are thriving.

In addition, he said, 1.14 million square meters of grass were seeded, 740,000 flowers planted and 81 hectares of green space in urban areas developed.

The five major sandstorm-stricken areas around the city now has about 20 percent green coverage, Huang told the gathering that included Vice-Premier Tian Jiyun, secretary of the Beijing Municipal Committee of the Chinese Communist Party Li Ximing, and Mayor Chen Xitong.

Environmental reports show Beijing has had less wind and sand in the past few winters thanks to the trees forming windbreaks.

Huang said more than four million people took part in tree planting last year.

Beijing Congress Standing Committee Report Given
*SK100449 Beijing BEIJING RIBAO in Chinese
5 Feb 88 p 2*

[“Excerpts” of report on the work of the Beijing Municipal People's Congress Standing Committee, given by Pengfei, chairman of the Beijing Municipal People's Congress Standing Committee, at the First Session of the Ninth Beijing Municipal People's Congress on 25 January]

[Excerpts] Fellow deputies:

I would like to deliver a report on behalf of the municipal People's Congress Standing Committee for examination and discussion at this session.

Last March, since the conclusion of the sixth session of the eighth municipal People's Congress, in line with the demands of the resolutions of the municipal People's Congress, the Standing Committee emphasized the enforcement and implementation of the Constitution, laws, and administrative rules in the municipality. It also actively exercised the functions and responsibility entrusted to it by the local organic law. During the past 10 months, the Standing Committee held 7 Standing Committee meetings, discussed 5 motions entrusted by the People's Congress, formulated and revised 6 local laws and documents concerning laws and regulations, and heard 15 special reports given by the municipal People's Government, the municipal Higher People's Court, and the municipal People's Procuratorate. It also adopted various methods to supervise and inspect the implementation of laws, rules, and regulations, and appointed, removed, and approved the removal of 93 state functionaries in line with the law. Under the sponsorship and guidance of the Standing Committee, we smoothly completed the end-of-term elections of the municipal, district, county, township, and town people's congresses. The following is a report on the major work:

1. We Formulated Local Laws and Regulations in Line With the Needs of Construction and Reform

Formulating local laws and regulations in line with the stipulations defined in the Constitution and local organic law and the specific conditions and practical needs of the municipality is one of the important functions of the Standing Committee. During the past 10 months, we discussed and adopted the "Beijing municipal regulations on labor protection and supervision," and the "Beijing municipal regulations on protection and management of cultural relics." During that same period we also adopted the "decision on the quota of deputies to the ninth municipal People's Congress Standing Committee and the election date," the "supplementary decision on the election of the people's jurymen," and the "resolution on safeguarding the legal rights and interests of old people." We also revised several articles of the provisional rules for traffic management.

How to handle the relationship between protection of cultural relics and urban modernization construction resulting from the rapid development of urban construction over the past few years became a glaring problem. To this end, the Standing Committee meeting summed up the experience in implementing the "Beijing municipal methods on the protection and management of cultural relics" over the past 6 years, discussed and adopted the "Beijing Municipal regulations on the protection and management of cultural relics" in line with the Cultural Relics Protection Law issued by the state in 1982, and succeeded in strengthening the protection of cultural relics. It enabled the capital's construction to advance toward the road of building a modernized city with the characteristics of a cultural ancient city. [passage omitted]

The Standing Committee discussed motions on safeguarding the legal rights and interests of old people entrusted to it by the People's Congress, and adopted relevant resolutions. So far, the number of people at and above 60 years accounts for 10.4 percent of the municipal total population. Under the socialist system, most of the old people are respected in society. Their livelihood is guaranteed; and they enjoy happiness during their remaining years. [passage omitted]

2. We Supervised and Inspected the Implementation of Laws and Regulations and Enabled All Fields of Work To Be Guaranteed by Law

At present, a socialist legal system based on the Constitution has taken its initial shape. There are laws to abide by in some major and basic aspects. The most important issue is to achieve the goal that there are laws to abide by, that laws already enacted are observed and enforced to the letter, and that violators are brought to justice. To this end, the Standing Committee and all committees inspected the implementation of 18 laws and regulations on supervising the quality of Beijing Municipal industrial products, the border quarantine law, the marriage law, and regulations on highway administration and management. While doing this work, Standing Committee members worked out plans with the municipal people's government, and mobilized relevant departments and units to participate in the work. They also inspected the implementation of the trademark law, the compulsory education law, regulations on implementing the polluted water prevention and the water conservancy protection and management laws. In addition, they cooperated with district and county People's Congress Standing Committees to organize deputies to conduct inspections, and selected some representative units to deeply inspect some major problems concerning law enforcement. Based on this, the Standing Committee heard special reports on the situation of inspections and on suggestions for improvements given by the municipal people's government, and conducted conscientious discussions. In order to realistically observe and implement laws and regulations, the Standing Committee emphatically grasped three links while carrying out the work:

First, the Standing Committee inspected the departments concerned to see whether they had exercised their functions and duties entrusted to them by the law and regulations, and whether they had managed things and conducted their work in line with the law. The committee helped them to find out where they lagged behind, and supervised and urged them to draft measures for improving their work. [passage omitted]

Second, we mobilized enterprises, establishments, and some grass-roots units to study and to inspect and improve themselves simultaneously, to enhance their sense of the legal system, to adopt measures to improve

their organizations, systems, and management in line with the demands of the law stipulations, and to enable laws to be realistically observed and implemented. [passage omitted]

Third, while inspecting the implementation of laws and regulations, the Standing Committee and all committees paid attention to analyzing the situations in handling certain cases, discovering and popularizing some units' experiences in strictly enforcing laws, and using positive and negative examples to stimulate the implementation of laws and regulations. [passage omitted]

3. We Promoted Socialist Democracy, Strictly Managed Things in Line With the Law, and Improved Election Work

In 1987, all municipal, district, county, township, and town people's congresses held end-of-term elections. The Standing Committee considered this work as one of the important tasks of the year, exerted strenuous efforts to guide the end-of-term elections of the district, county, township, and town people's congresses and presided over the end-of-term elections of the municipal deputies.

During the direct elections of deputies of districts, countries, townships, and towns, the Standing Committee revised the detailed municipal election rules and regulations in line with the stipulations of the election law. It also improved some specific election methods. [passage omitted]

The direct election of deputies was held after the 13th party congress. While sponsoring this work, the Standing Committee improved the following specific election methods in line with the spirit of the 13th party congress and the characteristics of electing the municipal deputies at the district and county people's congresses: First, before holding the district and county people's congresses, the Standing Committee organized deputies to study the election law and the local organic law, to discuss the method of electing deputies of the municipal People's Congress, and to discuss the nomination of candidates. Second, it reduced the quota of candidates recommended by the municipal-level political parties and organizations. It increased the proportion of candidates recommended by the district and county political parties and organizations. The Standing Committee also stressed that candidates jointly recommended by deputies would enjoy the same legal status as the candidates recommended by political party and organizations, that the candidate namelists would be submitted to all deputies for discussion and consultation by the congress presidium, and that a formal candidate namelist would be determined according to the opinions of the majority of the deputies. Third, written material of the candidates to be elected as deputies would be given to introduce their situation, and copies of the written material would be distributed to all deputies.

The formal candidates and the election deputies would be determined and conducted according to the stipulations of the method of voting from a larger number of candidates. [passage omitted]

4. We Heard and Discussed the Work Report of the Municipal People's Government

During the past 10 months, the Standing Committee heard nine work reports on some major matters concerning municipal work, given by the municipal People's Government. It also affirmed work achievements and pointed out existing problems during discussions, offered criticism and suggestions, and worked out resolutions and decisions. This was the basic way to supervise government work.

In economic construction, the Standing Committee heard and discussed a report given by the municipal people's government. The report covered the situation of increasing production, practicing economy, increasing revenues, and reducing expenditures among industrial enterprises. They also heard and discussed a report on the situation of conducting activities to consolidate market order, stabilize commodity prices, and to deal blows to profiteering activities and law violations; and a report on implementing financial revenue and expenditure budgets during the first 9 months of 1987, and approved some changes in the 1987 financial budgets.

In urban construction and management, the Standing Committee heard a report given by the municipal people's government on the situation of comprehensively developing urban construction and on suggestions for future work, and a report on preparations for the construction of Asian Games projects. It also heard a report on the municipal government's efforts to handle two motions entrusted by the People's Congress on strengthening management over the firing of fireworks, and on building water resources containment forests around Miyun Reservoir. It held discussions on these reports.

Regarding legal system and ideological education, the Standing Committee heard a report on implementing the decision of the NPC Standing Committee on strengthening education on the legal system and safeguarding stability and unity and the suggestions for popularizing legal knowledge during the second half of the year. It discussed a motion entrusted by the sixth session of the eighth municipal People's Congress on strengthening ideological and political education among primary and middle school students. [passage omitted]

5. We Adopted Various Methods To Conduct Activities of Deputies and Further Displayed Their Role

Establishing close ties with deputies and reflecting the desires of the masses through the efforts of deputies are the important issues of making the work of the Standing Committees better represent the people. During the past

10 months, the Standing Committee further strengthened the work of establishing ties with deputies and organized 47 observations, investigations, dialogues, forums, and report meetings of various scales. More than 4,000 deputies participated in these activities. [passage omitted]

Handling suggestions, criticism, and opinions raised by deputies was an indication of respecting the democratic rights and interests of deputies, and displaying the role of deputies in participating in and discussing political affairs. During the past 10 months, the Standing Committee strengthened supervision and inspection over this work with the spirit of being responsible to deputies. The sixth session of the eighth municipal People's Congress raised 1,128 suggestions, criticism, and opinions. Apart from turning 14 suggestions to the relevant departments at the higher level for study and reference, the remaining 1,114 items were all handled by the municipal departments concerned and answers were given to deputies by these departments. [passage omitted]

Fellow deputies:

This People's Congress Standing Committee has been established for nearly 5 years. The annual work reports of the past few years were reported to the congress sessions respectively. Generally speaking, the work of the Standing Committee has advanced unceasingly over the past 5 years and has played a greater role in the capital's construction and reform. [passage omitted] We firmly believe that under the guidance of the 13th party congress, the new People's Congress and its Standing Committee will diligently, strictly, and conscientiously perform the solemn functions and duties given by the Constitution and the law, enhance spirit, pioneer the road of advance, raise the work of the People's Congress to a new level, and make greater contributions to the capital's socialist modernization construction.

Beijing CPPCC Work Report Delivered
SK100643 Beijing BEIJING RIBAO in Chinese
6 Feb 88 pp 2, 4

[Report entitled "Positively Perform the Functions of Conducting Political Consultations and Exercising Democratic Supervision, and Unitedly Struggle to Promote the Capital's Reform and Construction," delivered by Bai Jiefu, chairman of the Beijing Municipal CPPCC Committee, at the first session of the seventh municipal CPPCC Committee on 20 January 1988]

[Excerpts] Fellow members and comrades:

The first session of the seventh Beijing Municipal CPPCC Committee is held under the new situation in which people of all nationalities in the municipality are studying and implementing the guidelines and documents of the 13th National CPC Congress, and are accelerating and deepening reform. The central tasks of this session are: Penetratingly study and conscientiously

implement the guidelines of the 13th party congress and the sixth Beijing Municipal CPC Congress; sum up experiences and lessons gained from the work of the sixth Standing Committee of the municipal CPPCC Committee; and define the future work tasks, to better perform the functions of conducting political consultations and exercising democratic supervision, to better exploit the role as democratic channels, and to make new contributions to promoting the development of reform and construction in the municipality. On behalf of the sixth Standing Committee of the municipal CPPCC Committee, I now submit a work report to the present session.

1.

Since the 3d plenary session of the 11th party Central Committee, along with the fundamental changes in our country's class situation and with the strategic shift of the national work emphasis, our country has effected a historic shift from "taking class struggle as the key link" to focusing on economic construction. Our country has witnessed a profound change in the outlook of our country as well as the capital. The patriotic united front has been consolidated and developed as never before, has entered a new historical stage, and has been characterized with new situations and new patterns. Over the past 5 years, under the leadership of the Beijing Municipal CPC Committee and under the guidance of the National CPPCC Committee, the municipal CPPCC Committee has followed the line defined by the 3d plenary session of the 11th CPC Central Committee; has persisted in the general goal of unifying the motherland and invigorating China; has upheld the principles of long-term coexistence and mutual supervision, treating each other with all sincerity and sharing weal and woe; and has adhered to the orientation of "facilitating the implementation of the principle of 'one country, two systems,' facilitating the development of reform and opening up and the building of socialist material and spiritual civilizations, and serving the building of socialist democracy and the legal system." In addition, the municipal CPPCC Committee has positively conducted political consultations and exercised democratic supervision, and has comprehensively launched various activities by proceeding from the nature and characteristics of the CPPCC and from the practical situation of the capital. As a result, remarkable progress has been made in the following fields:

A. The CPPCC organizations have been further consolidated and developed.

All districts and counties in the municipality have restored and established their CPPCC organizations, and the internal organizational structure of these organizations has become increasingly perfect. Now, there are more than 4,000 members of CPPCC committees at the municipal and district (county) levels. [passage omitted]

B. Political consultations and democratic supervision have become increasingly regularized, and the role as a democratic channel has been further exploited.

The plenary sessions, and Standing Committee meetings of the municipal CPPCC Committee, as well as various commissions and working groups under the Standing Committee have regularly and expeditiously conducted political consultations on major state principles, important matters of the capital, matters concerning the people's livelihood, and issues on the internal relations of the united front. The content of consultations has been deepened to the political, economic, cultural, and social lives. [passage omitted]

C. The cooperations and relations between various parties under the leadership of the CPC has been further strengthened.

Over the past 5 years, the municipal CPPCC Committee has organized social activities in various fields, together with the United Front Work Department of the municipal party committee, with various democratic parties, and with various industrial and commercial federations. [passage omitted]

D. New progress has been made in making extensive contacts with our compatriots residing in Taiwan, Hong Kong, Macao, and foreign countries, by holding high the banner of patriotism, thus expanding the scale of unity.

Over the past few years, in line with the guidelines of the CPC Central Committee's instructions on strengthening united front work abroad, we have gradually made friendly contacts with our compatriots in Taiwan, Hong Kong, Macao, and other foreign countries. We have received a large number of Overseas Chinese returned from Taiwan, Hong Kong, Macao, and other countries with the purpose of visiting relatives, sightseeing, visiting, and giving lectures. This has strengthened contacts between the countrymen in the mainland and Taiwan. [passage omitted]

E. Remarkable achievements have been scored in helping the party and the state implement policies. [passage omitted]

F. The fine tradition of self-education of the CPPCC has been further carried forward, and study courses have been conducted in a lively manner and with rich content.

We have expeditiously organized the study of the line followed since the 3d plenary session of the 11th party Central Committee and the documents of the 13th party congress; have sponsored study classes on the "Selected Works of Deng Xiaoping," and short-term training classes on the united front theories; have conducted reports on achievements in economic, scientific, technological, educational, and political structural reforms; and

have provided lecture courses on general knowledge for old people. We have also organized reports on the progress of reform and construction in the municipality. [passage omitted;]

In sum, based on the activities restored and conducted by the fifth Standing Committee, the sixth Standing Committee has scored great achievements in its work. It has suited and promoted development of the new situation. Along with the progress of CPPCC work, the people have changed their understanding of the CPPCC. This is attributed to the concerted efforts and the constant explorations and practices of the various parties and groups participating in the work of the municipal CPPCC Committee and of all the members and office workers of the municipal CPPCC Committee. Hereby, we express our heartfelt thanks to them!

2.

Reviewing the work in the past 5 years, we have gained the following major experiences:

A. It is our most important task to positively and voluntarily perform the functions of conducting political consultations and exercising democratic supervision, and to exploit the role of the CPPCC as a democratic channel. [passage omitted]

B. Taking advantage of our favorable conditions to help the capital build the two civilizations is an important content of our activities. [passage omitted]

C. It is our sacred duty to make contacts with our compatriots in Taiwan, Hong Kong, and Macao and with Overseas Chinese, and to promote the implementation of the principle of "one country, two systems." [passage omitted]

In contacting our compatriots in Taiwan, Hong Kong, and Macao and with Overseas Chinese, we should propagate and implement the principle of "one country, two systems" with a realistic attitude. We should talk with them in a bid to clear their minds of doubts, misgivings, and estrangement. In practical work, we should try our best to provide conveniences for these compatriots and give them necessary and reasonable preferential treatment. [passage omitted]

D. Adopting a work method suitable for the characteristics of the CPPCC organizations is an essential condition for conducting the CPPCC work. [passage omitted]

To sum up, over the past 5 years, we have consistently paid attention to enhancing our understanding of the nature, position and role of the CPPCC. We have made overall plans and arrangements for various activities by giving top priority to exploiting the role of political

consultations and democratic supervision. The municipal CPPCC Committee has already become an important force to maintain the political stability and unity, and to promote the constant development of the capital's reform and construction undertakings.

Although we have scored great achievements, quite a few problems and difficulties remain, and many shortcomings and defects still exist in our work. Major indicators are: We lack an understanding of the position and role of CPPCC work during the new period; we have failed to give overall considerations to and conduct systematic study of the new situations and contradictions emerging in the CPPCC work; and the self-construction of the CPPCC organizations needs to be strengthened. All these problems should attract our high attention, and should be improved through hard work. We believe that the new Standing Committee will surely achieve still greater success in the CPPCC work.

The 13th National CPC Congress is a meeting with an important historic significance and far-reaching influence. The most conspicuous historic contribution of the 13th party congress is that it has for the first time systematically expounded the theory of the initial stage of socialism. Based on this theory, the congress set forth the basic line of this stage and the fundamental principle for the comprehensive reform. During the initial stage of socialism, the united front remains a great magic weapon in building socialism with Chinese characteristics. At this stage, the strategic tasks of the united front are: To unite all forces and mobilize all positive factors that can be; strive to change negative factors to positive factors, implement the basic line of "one central task and two basic points," to serve the unification of the motherland, to serve the perfection of socialist democracy and the building of the legal system, and strive to attain the great goal of unifying the motherland, invigorating China, and building socialism with Chinese characteristics.

The report of the 13th party congress has made expositions on united front work and the CPPCC work, which have important guiding significance. The People's Congress system, multi-party cooperation under the leadership of the Communist Party, the political consultation system, and the method of handling affairs in line with the principle of democratic centralism are our special features, favorable conditions, and fine traditions, and thus they must be carried forward. The "division of three constitutional powers" and the multi-party rotation rule advocated by Western countries are unsuitable for our country's conditions. We should persist in the policy and principle concerning the work of the united front, and continue to consolidate and develop the patriotic united front in line with the guidelines of the 13th party congress and with the tasks raised by the Sixth Beijing CPC Congress.

We suggest that the major tasks of the seventh Standing Committee be as follows:

A. The Standing Committee should conscientiously organize the study of the report made by Comrade Zhao Ziyang at the 13th party congress. The committee should conscientiously understand the theory of the initial stage of socialism and the basic line of building socialism with Chinese characteristics. [passage omitted]

B. As an organization of the municipality's patriotic and united front, the municipal CPPCC Committee should create conditions for democratic parties and nonparty patriotic figures to further exploit their role in the political life. [passage omitted]

C. The Standing Committee should make a big stride to promote the unification of the motherland, by basing itself on the mainland and opening its eyes to Taiwan, Hong Kong, Macao, and foreign countries. [passage omitted]

D. The Standing Committee should strengthen the self-construction of their organizations. [passage omitted]

Fellow members and comrades:

The 13th National CPC Congress has provided a new starting point for the patriotic united front. The magnificent goal defined by the 13th party congress is the common cause of the people of all nationalities throughout the country. CPPCC organizations shoulder heavy responsibilities; there are bright prospects for the work of these organizations. Under the leadership of the Beijing Municipal CPC Committee, we should maintain still closer ties with various democratic parties, people's groups and nonparty patriotic figures; should maintain closer ties with CPPCC committees of various districts and counties; and should more closely subject to the guidance of the National CPPCC Committee. Additionally, we should make concerted efforts to open up the road of advance, so as to march forward along the road of socialism with Chinese characteristics, accelerate the pace of modernization and overall reform, and make new contributions to building China into a prosperous, strong, democratic, and civilized socialist country.

Hebei's Xing Chongzhi Delivers Speech at Forum
SK100411 Shijiazhuang HEBEI RIBAO in Chinese
9 Feb 88 pp 1, 2

["Excerpts" of speech of Xing Chongzhi, secretary of the Hebei Provincial CPC Committee, made at the provincial spark plan forum: "Further Emancipate Our Minds and Spread the Flames of Science and Technology Over the Whole Province"]

[Text] The implementation of the spark plan is progressing well. The province has scored achievements in implementing the spark plan while some of the localities have made notable achievements in this regard. In particular, through implementing the spark plan, the people further understand that the commodity economy cannot be

developed without science and technology. We must rely on science and technology, skilled persons, and arduous struggle to develop the commodity economy.

The productive forces are very poor in the initial stage of socialism. In order to develop productive forces and extricate ourselves from poverty, we should rely on science and technology and arduous struggle to develop commodity economy and to make the people become rich as soon as possible. Since the party Central Committee has defined its line, principles, and policies, we must make specific efforts to implement them and accelerate the development of the commodity economy.

Metaphorically speaking, like stars in the sky, big and small "sparks" covered by the provincial, local, and county spark plans are spread all over the province, covering an area of 190,000 square km. There are several kinds of sparks as follows: 1) Develop technologies or bring in and popularize new technologies. 2) Develop quality products. 3) Cultivate skilled people, including extremely outstanding skilled people and nationally and provincially well-known skilled people. 4) Create a group of good enterprises. Of the total spark projects, 96 percent have been well developed. Model town and township enterprises with scientific and technological advantages are top-notch enterprises and have accumulated many good experiences. We must continuously strive to accelerate the implementation of the spark plan, develop the commodity economy, and promote rural economic development. Some of the town and township enterprises' products have a ready market while some of them have been exported to foreign countries. "Spark" enterprises should continuously improve themselves and spread their flames far and wide. Like electric bulbs, "spark" enterprises should expand their light from 15 watts to 100 watts or even 1,000 watts. They should spread their flames all over the province.

What measures should various localities adopt in order to implement their spark plans or to promote the commodity economic development of counties, localities, and the province? 1) Each and every county should divide itself into several small economic areas. "Spark" spots should be established within small economic areas. Each and every small economic area should guide the implementation of the spark plan. Taking Tangxian County as an example, the county can divide itself into several small economic areas. The areas with mineral resources can develop mining industry. The areas without mineral resources can develop forestry, animal husbandry, and the processing industry. 2) We should establish enterprise groups and organize the spark plans according to the demands of development. Some counties have advantages to develop key trades of their own. For example, Langfang Prefecture has advantages to develop the plastics industry. Lixian County has advantages to develop acrylic fiber and fur industries. In Qinghe County it is advantageous to develop combed cashmere production and the vehicle parts industry. Botou City has advantages to develop casting industry.

So, we can organize enterprises of the same trades into enterprise groups, and strengthen management to create quality products. 3) It is necessary to develop various types of cooperation, such as cooperation between agriculture and trade, between industry and trade, between plants and schools, and between different plants. We should pay particular attention to conduct cooperation with universities and colleges and scientific research units. It is certain that problems relating to capital, technology, land, skilled persons, and management can be solved through developing various types of cooperation. Through implementing the spark plan, the province should strive to reduce the number of poor and undeveloped areas with each passing year. With technologies, skilled persons, products, and forces, "sparks" are able to eliminate poverty and change local appearances. At present, many counties have not yet placed the implementation of the spark plans on their work agenda or fail to make progress through implementing the spark plans. Comrades of the county and prefectural scientific and technological commissions, commissioners, and county heads attended today's forum. I hope that you will organize forces and strengthen leadership to learn from the good, to accelerate the pace of seeking wealth, and to sum up and popularize advanced experiences.

The implementation of the 1987 spark plan was better than that in 1986. We should strive to ensure that the implementation of the 1988 spark plan should be better than that in 1987, and that the province should make great progress in 1988. We should make bigger strides and score greater achievements in 1988. Tangxian County will be able to make big progress if there are 10 able persons of Liu Shukun type. There must be good leadership in order to bring into play the functions of qualified technicians and skilled persons with management ability. We must give a green light to science professionals and technicians. Leadership is service and leaders should help the masses eliminate worries and difficulties. What can a leader without ability do? If this way does not work leaders should try to find another way to help the masses solve problems. Leaders will fulfill their obligations if they have tried to adopt every possible means to help the masses solve their problems. Without capable leaders, the development of productive forces will be obstructed and the production of commodities will be affected.

We should further emancipate our minds. Plant directors and managers are confronted with problems concerning emancipating their minds, and leading cadres are working to help people emancipate their minds. If we fail to emancipate our minds, there would be no principles and policies set forth at the 3d plenary session of the 11th party Central Committee, there would be no line set forth at the 13th party congress, or there would be no deepening progress of reform. We must continue to emancipate our minds, conduct and deepen reform, make advances, and develop production. The process of emancipating the mind is a progress of ceaselessly deepening our understanding about the development of

things. We must never say that this man is quite enough for emancipating their minds. We must continue to deeply emancipate our minds, and foster an idea of continuously emancipating our minds. Doing so will help accelerate the province's economic development.

There are more than 3,400 townships and more than 50,000 villages in the province. A village will be able to progress if it has a capable person. However, it is a pity that some villages, even some townships, do not have any capable people. So, with heavy burden assigned, you must adopt flexible methods to guide the people around you and have their ideas straightened out. Nobody is satisfied with poverty and everyone is willing to become rich. The question is that the masses do not know how to become rich. Thus, we must guide and assist them to seek wealth.

The implementation of the province's spark plan is not bad thanks to the fact that leaders at various levels and the comrades on scientific and technological fronts have done a lot of work and have made achievements in implementing the spark plan.

Provincial-level organs and the provincial Scientific and Technological Commission have stood among the best in terms of their work and have made achievements. However, we must make persistent efforts, continue to advance, and strive to make greater contributions to the implementation of the strategies for relying on science and technology to rejuvenate Hebei.

Tianjin's Li Ruihuan Reports on Laoshan Visit
SK100731 Tianjin City Service in Mandarin
2300 GMT 9 Mar 88

[Excerpts] On the morning of 9 March, the municipal party committee and the municipal government held a meeting of the Tianjin mass group that had called on Yunnan Laoshan frontier soldiers to report their visiting activities.

Attending the meeting were municipal party, government, and army leaders, including Li Ruihuan, Wu Zhen, Tan Shaowen, Nie Bichu, Zhang Zaiwang, Wang Xudong, He Guomo, Chen Yiyi, Zhang Dinghua, Lan Baojing, Hao Tianyi, Shi Jian, Lu Xuezheng, Xiao Yuan, Zhou Ru, Liao Caihui, He Yanran, Zheng Wantong, and Huang Yanzhi. Zhang Zaiwang, chairman of the Standing Committee of the municipal People's Congress and head of the visiting group, reported the visiting situation at the meeting. [passage omitted]

Li Ruihuan made a speech at the meeting.

He said: The visiting group headed by Comrade Zhang Zaiwang returned home from the Laoshan frontier with extremely satisfactory successes. Through this vision, not only the commanders and fighters who are fighting in the frontline have been inspired with enthusiasm; but also the people of all circles in Tianjin have vividly

enhanced their understanding about the frontier soldiers' living and fighting situation; have been educated with a spirit of brave fighting, selfless contribution, and arduous struggle; and have further enhanced their awareness of national defense and their understanding and love toward the PLA men.

Li Ruihuan said: Generally speaking, the situation of Tianjin is very good. Along with the development of reform, opening up, and economic construction, the entire society is advancing. However, in the course of development, there is no denying the fact that like other things, there will emerge some unsatisfactory things, including questions concerning how to treat difficulties and how to handle individual benefits. Confused by money, some people adopt evil means and even ignore everything in order to seek money. Just think, what prospects for socialist modernization will we have if our comrades totally degenerate into the belief that all things can be handled by money but neglect politics, awareness, and spirit during the course of handling questions relating to individual benefits.

Li Ruihuan pointed out: Under the current situation, extensively and deeply disseminating the living and fighting situation of Laoshan frontier soldiers and their spirit of arduous struggle is conducive to helping the people understand these questions and to solving these problems. By so doing some of our comrades can become sober-minded. All this is conducive to consolidating achievements, eliminating some bad things, enhancing the unity and friendship between the army and the people, and ensuring the smooth progress of reform, opening up, and economic construction.

Northeast Region

Heilongjiang CPPCC Committee Meeting Opens
SK100723 Harbin Heilongjiang Provincial Service
in Mandarin 2200 GMT 9 Mar 88

[Text] The second Standing Committee meeting of the sixth provincial CPPCC Committee opened in Harbin on 9 March.

Wang Zhao, chairman of the sixth provincial CPPCC Committee, presided over the meeting.

The major tasks of the meeting are to examine, discuss, and adopt the item concerning appointing full-time and part-time deputy secretary generals of the provincial CPPCC Committee and chairman and vice chairmen of the Scientific Work Commission of the provincial CPPCC Committee; to examine, discuss, and approve the item concerning adding members of the sixth provincial CPPCC Committee; to consult the opinions on reforming the province's urban housing system; and to relay the guidelines of Comrade Zhao Ziyang's speech on coastal economic development strategies.

Shenyang Military Promotes 'Learn From Lei Feng'
*OW051255 Beijing XINHUA Domestic Service
in Chinese 1504 GMT 3 Mar 88*

[By reporter Huang Mingsong]

[Excerpts] Shenyang, 3 Mar (XINHUA)—Liu Jingsong and Song Keda, respectively commander and political commissar of the Shenyang Military Region, recently issued an order commending advanced collectives and individuals to learn from Lei Feng. [passage omitted]

The order calls on all Army units under the military region to modestly learn from advanced collectives and individuals in holding learn-from-Lei-Feng activities; to learn from their ardent love for the motherland and the people; and to learn from their firm conviction of devoting themselves to national defense, as well as their efforts to emancipate their minds, work hard to improve themselves, and make greater contributions as masters of their own affairs. [passage omitted]

Leader Discusses Issue

*SK060606 Shenyang Liaoning Provincial Service
in Mandarin 2200 GMT 4 Mar 88*

[Excerpts] On the morning of 4 March, the Shenyang Military Region held a ceremonious report meeting at Shenyang's Bayi Theater to mark the 25th anniversary of the activities of learning from Comrade Lei Feng. Song Keda, political commissar of the Shenyang Military Region, presided over the meeting. Shi Baoyuan, deputy commander of the military region, read an order on conferring the honorable title of model instructor of selfless devotion on martyr Chai Jinliang, which was signed and issued by Deng Xiaoping, chairman of the Central Military Commission. Li Haibo, chief of staff of the military region, read an order on commending and rewarding units and individuals advanced in the activities of learning from Lei Feng. The order was signed and issued by Liu Jingsong, commander, and Song Keda, political commissar of the military region. [passage omitted]

Liu Jingsong, commander of the Shenyang Military Region, delivered a speech at the report meeting entitled: *It Is Necessary To Continue To Carry Forward the Lei Feng Spirit in the Situation of Developing the Commodity Economy*. Commander Liu Jingsong said in his speech: The development of the commodity economy has not only raised the level of social productive forces but also brought real benefits to the people. However, the people's stress and pursuit of real benefits does not mean a great change from the past advocacy of political honor in favor of the pursuit of material benefit, as some people put it. Still less does it mean to set material and ideals against spiritual benefits. The principle of stressing material benefit is in unity with, instead of in

contrast to, the principle of fostering lofty ideals advocated by the party. They represent a combination of material civilization with spiritual civilization, and a combination of lofty ideals with practical efforts.

Commander Liu Jingsong said: Also, our stress of the need to foster lofty ideals like Lei Feng does not mean to negate individual benefits. Still less does it mean to advocate the need to sacrifice individual benefits in developing all social undertakings. Being human as we are, Comrade Lei Feng had both spiritual and material needs. Such reasonable needs, as we all have, are beyond reproach. What merits our attention is that some comrades have always lacked lofty ideals, and have persistently pursued personal material interests in the situation of developing the commodity economy. Left unchecked, their practice is bound to lead to a development of individualism, and they will even become politically degenerate. This has been proven by many facts. Therefore, when we stress the principle of material benefit, we should have lofty ideals and fighting goals; correctly treat and successfully handle the relationship between the interests of the part and the whole, between immediate and long-term interests, and between individual interests and general interests. We should free ourselves from the shackles of narrow individual interests, and be wholeheartedly devoted to the party, socialism, and communism like Lei Feng was.

Commander Liu Jingsong said: People say that the development of commodity production has effected a change in the relations among the people. They say it has turned people of the same trades into opposing contenders, and turned comrades into competitive opponents. They also say that the foolish spirit of being happy in helping others, which Lei Feng possessed, does not work any more. Such a manner of speaking, in fact, shows their confused understanding of the meaning of socialist competition. In the conditions of socialism, our introduction of competition into the economic sphere, the personnel system, and other fields is for the very purpose of eliminating the defects of egalitarianism and the practice of eating from the same big pot. It is for enabling the people to develop their talents to the fullest, and increasing the vigor and vitality of social development.

Commander Liu Jingsong said: The purpose of our People's Army is to serve the people wholeheartedly. Following the gradual introduction of competition into some fields of army building, it is all the more necessary to organically combine the enhancement of the sense of competition with the development of the Lei Feng spirit. We should not pay attention to material benefit alone to the neglect of personal relations because of competition. We should stress the unity, friendship, and mutual assistance between comrades, and between persons at higher and lower levels. We should also stress the need to take the general situation into consideration, and to maintain a good style and cooperation among army men and civilians. This means that in the new situation of

developing the commodity economy, everyone should push himself to the front through competition, and also be a model in maintaining good style.

Liu Jingsong said: Learning from Comrade Lei Feng, maintaining the tradition of plain living and arduous struggle, and carrying forward the spirit of pioneering a cause through thrift and hard work are not a question of being something we like to do or not. They are decided by objective historical conditions. Many facts have proven that following the development of the commodity economy, many new demands have been set on the activities to learn from Lei Feng. The outdated ideas that have lasted for many years should be updated. Habits and methods that we have adopted for a long time should be improved. Only through conscientious efforts to study new situations and solve new problems can we continuously carry forward the Lei Feng spirit.

Northwest Region

Qinghai's Yin on Importance of Military Depot

*HK100251 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 9 Mar 88*

[Text] Yin Kesheng, Qinghai Provincial CPC Committee secretary, spoke at the 1987 commendation meeting of the Qinghai-Tibet military depot of the PLA General Logistics Department on 9 March. He praised the unit as a banner on the Qinghai-Tibet plateau with the fine work style of arduous pioneering.

Comrade Yin Kesheng said that practice over a long period has shown that this military depot is an important unit in the Qinghai-Tibet region. In particular, in recent years, under the leadership of the Central Military Commission and the General Logistics Department CPC Committee, and guided by the spirit of the 13th National Party Congress, the party committee of the depot has united and led the commanders and fighters to struggle hard and govern the Army with strictness. The depot's party committee has steered and developed a fine work style particularly well accomplished in enduring hardship and waging struggle. This unit has fulfilled its training, construction, production, and transport tasks outstandingly well. It has also scored outstanding

achievements in launching joint activities with the people to build spiritual civilization, in consolidating stability and unity, in supporting economic construction in the Qinghai-Tibet region, in taking part in rescue and relief work, and in carrying out various other special tasks.

Yin Kesheng stressed that Qinghai could not have achieved success in work in recent years without the support and help of the Qinghai-Tibet military depot. May I take this opportunity to thank the party committee and the whole body of commanders and fighters of the depot.

At the commendation gathering, Yin Kesheng, Song Ruixiang, Liu Feng, and other provincial party and government leaders and responsible comrades of the depot presented brocade banners, commendation certificates, and medals to 53 advanced units and 148 advanced individuals commended by the General Logistics Department and the depot.

Shaanxi Circular Urges Care Against Hepatitis

*HK100607 Xian Shaanxi Provincial Service
in Mandarin 0500 GMT 10 Mar 88*

[Text] According to SHAANXI RIBAO, the general office of the provincial government recently issued a circular calling on all localities to seriously implement the guideline of concentrating on prevention and take positive measures to prevent the spread of hepatitis in Shaanxi.

The circular demanded that public health administrative departments regard the prevention and curing of hepatitis as a current important task. They must organize the public health anti-epidemiology units to do a good job in surveying and forecasting the disease. The medical units must step up hepatitis outpatient service. The pharmaceuticals administrative departments must prepare sufficient drugs. It is necessary to step up hygiene controls for the catering trade, market fairs, and individual stall operators. Hotels, inns, and hostels must resolutely ensure that only one person is using bedding and utensils at any one time. They must advocate the practice of using separate dishes for each person at meals instead of one common dish. Sanitation must be stepped up in public places. The units concerned must grasp sanitation in collective canteens.

The circular also demanded that all localities and departments clearly explain to the masses the importance of concentrating on prevention. We should avoid the occurrence of unnecessary panic and ensure normal order in all work and daily life.

Nuclear Rumors Denied; Top Scientist Missing
OW100329 Taipei CNA in English 0300 GMT
10 Mar 88

[Text] Taipei, March 9 (CNA)—The Republic of China [ROC] has no intention of manufacturing nuclear weapons and this established policy will never change. Shaw Yu-ming, director-general of the Government Information Office, stated Wednesday.

Shaw described as "absolutely groundless" rumors that the ROC may be covertly manufacturing nuclear bombs.

The rumors arose after Chang Hsien-yi, deputy director of the Atomic Energy Council's Nuclear Energy Institute, failed to return from his vacation in the United States.

Shaw reiterated that the refusal to make nuclear weapons is the ROC's established policy. Consequently, the research conducted by the Nuclear Energy Institute is only for peaceful purposes, he noted.

Besides, the ROC's nuclear activities are monitored by the International Atomic Energy Agency, and the nation has never violated the nuclear nonproliferation treaty since it became a signatory many years ago.

Government Remains Firm on '3 No's' Policy
OW100455 Taipei CNA in English 0303 GMT
10 Mar 88

[Text] Taipei, March 10 (CNA)—The Republic of China [ROC] will never change its "no contact, no negotiations, and no compromise" policy towards the Chinese Communists. Chen Yu-chu, spokesman for the Ministry of Foreign Affairs, said Wednesday.

"The United States Government has fully understood the ROC's firm stance," Chen told the press.

The U.S. Government has repeatedly stated that it will not interfere in the "China issue," saying it should be resolved by the Chinese themselves on both sides of the Taiwan Straits, he said.

Chen was responding to foreign wire service reports that White House spokesman, Marlin Fitzwater, after U.S. President Ronald Reagan met with Chinese Communist "Foreign Minister" Wu Hsueh-chien, has told the press that the U.S. hopes to promote exchanges between the ROC and the Chinese Communist regime.

Legislative Yuan Vacancies Will Not Be Filled
OW100451 Taipei CNA in English 0243 GMT
10 Mar 88

[Text] Taipei, March 10 (CNA) — The Legislative Yuan Wednesday resolved to repeal the supplementary regulations governing appointment of alternate members to fill vacated seats of the first National Assembly.

The Legislative Yuan also passed, after the third reading, the partial revisions of the law and regulations governing the election and recall of the members of the National Assembly.

The amended articles and clauses regarding the election and recall of national assemblymen stipulate that vacancies in the National Assembly will not be filled.

KMT To Invite Foreign Leaders to July Congress
HK091028 Hong Kong AFP in English 1013 GMT
9 Mar 88

[Text] Taipei, March 9 (AFP)—Taiwan's ruling Kuomintang (KMT) party will invite some 120 party leaders from 40 friendly countries to attend the opening ceremony of its July congress, KMT Deputy Secretary General James Soong said here Wednesday.

To make the 13th congress more responsive to public opinion, delegates would be elected by KMT members instead of being appointed as in the past, Mr Soong said.

The delegates will discuss ideology, party reforms, China policy, and revision of the KMT's charter during the seven-day meeting beginning July 7.

In addition to foreign party leaders, Mr Soong said, the KMT would also invite other party members, industrialists, public figures, women's representatives, and union members to the opening ceremony at the suburban Linkou Stadium which can accommodate some 10,000 people.

KMT's policy-making Central Standing Committee Wednesday approved guidelines for organizing the congress, said Mr Soong, who is also deputy director of the organizing committee.

Earlier reports said some 1,100 delegates would be chosen to attend the congress which is expected to further relax Taiwan's China policy and launch reforms in the 93-year-old KMT.

The delegates were also expected to elect a new party chairman to replace the late president Chiang Ching-kuo, who died on January 13, and choose a new central committee, the reports said.

President Lee Teng-hui is now acting party chairman.

The KMT was also expected to re-define itself as a democratic party, instead of a revolutionary one, so as to meet the challenges of the post-Chiang era, the reports said. The KMT has ruled Taiwan since fleeing the mainland in 1949 after defeat by the communists.

In a more liberal China policy, the KMT might invite mainland students studying abroad to visit the island and permit Taiwan citizens to travel to China for cultural and sports activities, party officials said.

The government has allowed people to make family reunion trips to the mainland since November when it lifted a travel-ban imposed in 1949.

Taipei has insisted that its three-no's policy—"no contact, no talks, no compromise"—with its rival Beijing remains in force and bars direct trade with the mainland. Indirect trade via third countries, however, was estimated to be worth 1.5 billion dollars last year.

Prime Minister Yu Kuo-hwa told parliament Tuesday that there could be more flexibility if Beijing openly renounced the use of force against Taiwan and abandoned Marxism-Leninism and its proposals for reunification under the "one country, two systems" concept.

This concept, already applied in the case of the British colony of Hong Kong and Portugal's Macao, would allow Taiwan to maintain its capitalist life-style after reunification, according to China.

Meanwhile, several lawmakers are pushing for a "truce agreement" with Beijing to safeguard security in the Taiwan Strait, reports here said.

Outspoken KMT legislator Jaw Shao-kang also urged the government to draft a Mainland Relations Act to govern all civilian activities between the two sides.

New 'Chinese Republican Party' Established
OW100503 Taipei CNA in English 0317 GMT
10 Mar 88

[Text] Taipei, March 10 (CNA)—The Republic of China's newest political party, the Chinese Republican Party, was born Wednesday with Wang Ying-chun serving as its chairman.

Citing the "peaceful struggle for the salvation of China and the promotion of world peace" as its objectives, the newly founded party held its first plenary session in Taipei Wednesday afternoon. Many dignitaries from all walks of life wished the new party well on its establishment.

The Chinese Republican Party has 1,746 members at present.

Hong Kong

Governor, Trade Delegation Leave for Japan
*OW091325 Beijing XINHUA in English 1156 GMT
9 Mar 88*

[Text] Hong Kong, March 9 (XINHUA)—Hong Kong Governor David Wilson led a high-level trade mission to Japan this morning, hoping to further boost the already fast growing trade relations between Hong Kong and Japan.

At the invitation of the Japanese foreign minister and the Hong Kong-Japan Business Co-operation Committee, Wilson is making his first trip to Japan as a governor.

"Japan is very important to us in terms of trade," the governor told reporters upon his departure at the airport.

Last year, Hong Kong's exports to Japan were valued at 9.5 billion Hong Kong dollars—an increase of 53 percent over the 1986 level.

In contrast, Hong Kong imported nearly 72 billion Hong Kong dollar worth of goods from Japan, which further widened the existing trade imbalance even if the 9.7 billion Hong Kong dollar re-exports were included, according to statistics of the Hong Kong Trade Development Council.

Wilson said Hong Kong now has a good opportunity to expand trade links with Japan, a big potential market, because "the exchange rates of the Hong Kong dollar are favorable to its export to Japan."

During their four-day visit, the guests which include Hong Kong senior business and trade officials will meet top-level Japanese government officials and will also go to Osaka where the governor will preside over a gala opening of a promotion for Hong Kong-made goods.

Government 'Not Bound' To Take Refugees
*HK100445 Hong Kong HONGKONG STANDARD
in English 10 Mar 88 p 1*

[By Agnes Lam]

[Excerpt] The Legislative Council [Legco] has firmly established that Hong Kong is not bound by any international treaties to take in refugees from Vietnam.

The Secretary for Security, Mr Geoffrey Barnes confirmed this in a letter received by the Legislative Council ad hoc group on refugees.

Further confirmation was given yesterday by a senior official of the United Nations High Commissioner for Refugees.

The discovery set Legco on firm legal grounds in its demand for the Government to free Hong Kong from its "place of first asylum" status.

The new twist to the \$100-million-a-year refugee saga came one month before the Government is due to decide whether it will make changes to Hong Kong's status on Vietnamese refugees.

The ruling—the reason for which has not been made public—clears up the confusion that has surrounded the territory's obligations since refugees began arriving in 1979.

The confusion arose from the belief that Hong Kong was bound by refugee treaties signed by Britain.

Councillor Dr Ho Kam-fai described the discovery as a "trump card" in Hong Kong's fight to rid itself of the heavy refugee burden.

Dr Ho said it could now be worked out between Hong Kong and Britain. "We don't have to care about international conventions any more," he said.

The convenor of the Legco group, Mrs Rita Fan, said: "Now we have removed one of the major obstacles in solving the problem."

The Foreign Office in London said it could not comment until the ruling had been assessed.

The councillors are waiting for a report from the Government on progress in solving the problem next month.

If Hong Kong is relieved of its obligation to take in refugees, all future arrivals from Vietnam will simply be classified "illegal immigrants" who will not be considered for resettlement, Mrs Fan said.

This will be a potent deterrent to would-be refugees, most of whom come in the hope of resettlement.

Changing Hong Kong's status is seen as the simplest way of dealing with the refugee problem.

Other possible solutions include asking Britain to start paying for keeping refugees here and for Legco to vote down any request for money from the Government for this purpose.

Delegation of 15 PRC Journalists Begins Visit
*HK100433 Hong Kong SOUTH CHINA MORNING
POST in English 10 Mar 88 p 2*

[Text] A delegation of 15 journalists from China arrived in Hong Kong yesterday for a familiarisation visit.

The group, invited by the Hong Kong branch of the NEW CHINA NEWS AGENCY, is headed by Mr Dang Fei, a member of the secretariat of the All-China Journalists' Association and comprises newspaper editors and broadcasting officials.

The delegation will visit Macao before returning to China next Saturday.

This is the third group for journalists arranged by the All-China Journalists' Association to visit Hong Kong in the past three years—[it] hopes to gain a general idea of the territory and meet local members of the media.

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